Austria	Sch22	Indonesia	Rp3100	Portugal	Esc120
Bahrain	Din0.650	Israel	NS3.50	S.Arabia	Rls7.00
Belgium	BFr48	Italy	L1700	Singapore	S$4.10
Canada	C$1.00	Japan	Y600	Spain	Pta145
Cyprus	C£0.90	Jordan	Fils500	Sri Lanka	Rup30
Denmark	DKr10.00	Kuwait	Fils500	Sweden	SKr9.00
Egypt	E£2.25	Lebanon	$L125.00	Switz	SFr2.30
Finland	Fmk7.00	Lux	LFr46	Taiwan	NT$85
France	FFr6.50	Malaysia	Rm4.25	Thailand	Bht50
Germany	DM2.30	Mexico	Pes300	Tunisia	Din0.800
Greece	Dr120	Morocco	Dh6.00	Turkey	L600
Hong Kong	HK$12	Neth	Fl3.00	UAE	Dh6.50
India	Rup15	Norway	Nkr10.00	USA	$1.00

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 30,553 Thursday June 2 1988 D 8523 A

Bank mergers adding spice to market in Madrid, Page 40

World News

Lee seeks end to Singapore's row with US

Lee Knan Yew, Singapore's Prime Minister, signalled willingness to halt the row with the US and proposed that an independent tribunal determine whether American diplomats had interfered in his country's domestic politics. Page 18

Israel tear gas charge

The Israeli army said it was checking a UN report that tear gas fired by troops had killed 11 Arabs, including a 7-day-old baby, and caused dozens of miscarriages. Uprising toll, Palestinian sackings, Page 4

16 dead in mine blast

An explosion ripped through a coal mine near Borken, 125 km north east of Frankfurt, West Germany, killing at least 16 miners and trapping about 40 others below ground.

Strike in Lebanon

A strike paralysed Lebanon on the first anniversary of the killing of Prime Minister Rashid Karami and rival Moslem militias marked the day by freeing prisoners taken in battles.

Java ferry sinks

At least 200 people are feared to have drowned when an overloaded ferry sank in the Java Sea off the Indonesian coast, the Java Post reported.

China names negotiator

China appointed Mr Tian Zengpei as vice foreign minister to negotiate with the Soviet Union on normalising political relations.

Ethiopia ready for talks

The Ethiopian Government said it was ready to negotiate a settlement to the Eritrean rebellion.

Sinhalese violence

Sinhalese radicals bombed a government building, set trains on fire and forced shops to close in central Sri Lanka in an attempt to disrupt provincial elections. Police were ordered to shoot anyone causing a disturbance.

Junejo backs down

Pakistan's Prima Minister Mohammed Khan Junejo, dismissed by President Mohammed Zia ul-Haq on Sunday, decided to leave quietly and avoid confronting the army. Page 4

Iran missile site

Iran is preparing a launch site to put its Silkworm missiles within striking distance of targets across the entire Strait of Hormuz, a senior US commander said.

Backing for Ligachev

Soviet leader Mikhail Gorbachev expressed unequivocal backing to his most senior aide, Mr Yegor Ligachev, following an attack by Mr Boris Yeltsin, the ousted Moscow party chief. Page 4

UK-US defence deal

Britain and the US are poised to sign an agreement on the joint development of a defence system to protect ships from torpedo attacks.

Dutch rail crash

Two people were killed and 20 injured when a passenger express smashed into tha rear of a stopped freight train in the southwestern Netherlands.

Journalist to be freed

Afghan President Najibullah ordered the release of Italian journalist Fausto Biloslavo, jailed in March for seven years on spying charges.

Shooting in Turkey

A Turkish lawyer shot and killed three people, including the chairman of the Istanbul Chamber of Commerce, at a restaurant in Ankara. He then shot himself.

Kahyasi wins Derby

Kahyasi won a closely run race with Glacial Storm to land the £500,000 Ever Ready Derby.

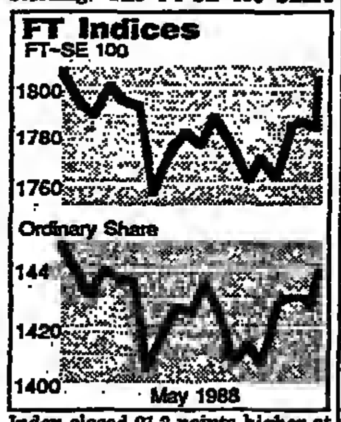
Business Summary

Koppers accepts $1.7bn Beazer bid

KOPPERS, Pittshnrgh-based building materials and chemicals group, agreed to sell its business to Beazer of the UK for $61 a share or over $1.71bn. The decision hy the Koppers board to accept an offer from the British housebuilding and aggregates group ends a bitter three-month battle for control of the company. Page 18

HONG KONG Government is publishing laws to enforce poblic disclosure of shareholdings above 10 per cent in local companies. The measures coincide with today's publication of a full review of the securities industry. Page 18

LONDON SHARE prices rose in the face of the sharp drop in sterling. The FT-SE 100 Share Index closed 21.3 points higher at 1,805.7 and the FT Ordinary ended 12.1 better at 1,439.6. Lex, Page 18; Page 36



TOKYO: Sharp overnight rise on Wall Street sparked strong demand. The Nikkei average rose 287.21to 27,703.91. Page 40

WALL STREET: Dow Jones industrial average closed up 32.89 at 2,064.01. Page 40

DOLLAR closed in New York at DM1.730025, Y125.375, SFr1.4435, FFr5.8425. It closed in London at DM1.7250 (DM1.7290), Y125.20 (Y125.10), FFr5.8250 (FFr5.8200), SFr1.4405 (SFr1.4435). Page 29

STERLING closed in New York at $1.8130. It closed in London at $1.8240 ($1.8385), Y228.25 (Y230.00), DM3.1475 (DM3.1775), SFr2.6275 (Sfr2.6550), FFr10.6250 (FFr10.7000). Page 29

CENTEL, US telephone, electric utility and cable television company, received a $65 a share takeover bid worth some $2.8bn from Mr Asher Edelman, the New York corporate raider, and Mr George Lindemann, his investment partner. Page 19

DEUTSCHE SHELL said its 1987 net income plummeted 38 per cent to DM245.8m ($143m) from DM397.3m a year earlier hecause of mounting losses in the refining sector. Page 19

JAPANESE direct investment overseas in the year to March soared 49.5 per cent to a record $33.36bn. Page 18

ANGLO AMERICAN CORPORATION, South Africa's largest mining and industrial group, saw lower dividends from gold investments and poorer coal profits acting as a big restraint on the past year's earnings. Page 19

ROYAL BANK of Canada, country's largest chartered bank, reported 25 per cent increase in third-quarter profit. Page 19

TARMAC, UK construction and property development group, sold its South African interests for £7m ($13m).

BAKER HUGHES and Dresser Industries, two leading Texas energy and mining service companies, put their BJ-Titan joint venture in pressure pumping services up for sale. Page 19

ROXY ELECTRICAL Industries, troubled Malaysian investment company, is expected to pass control to United Industrial Corporation (UIC), an emerging Singapore conglomerate, undar a capital injection exercise. Page 20

TOSHIBA, Japanese electronics gronp, announced its first increases in consolidated profits and sales for three years. Page 20

Superpower summit 'opens up more businesslike era'

BY STEWART FLEMING, ROBERT MAUTHNER AND QUENTIN PEEL IN MOSCOW

THE MOSCOW summit has laid the foundations for a new, more businesslike era of snperpower relations, Mr Mikhail Gorbachev, the Soviet leader, and President Ronald Reagan of the US, said yesterday.

"The President and the General Secretary view tha Moscow summit as an important step in the process of pntting US-Soviet relations on a more productive and sustainable basis," a joint statement said at the end of four days of talks.

Both sides agreed that although major issues remained to be resolved if their goal of a 50 per cut in strategic nuclear weapons was to be achieved, considerable progress was made on the problem areas of verifying cuts in air-launched and mobile ground-launched missiles.

The communiqné offered a more positive assessment of US-Soviet relations than that issued after the two leaders' meeting in Washington last December, althongh Mr Gorhachev expressed his own disappointment at its failure to go further.

"I think we could have achieved more during this meeting," he said at an international press conference – the first ever by a Soviet leader in Moscow. He criticised Washington for rejecting a new statement committing the snperpowers to "peaceful coexistence" and renouncing the use of military means to resolve conflicts.

"I believe we have missed a chance to take an important step forward towards civilised relations," he said.

Behind the criticism lies a continuing struggle between the two countries over priorities in their dialogue. Even before they arrived in Moscow, US officials were discounting the possibility of an arms "breakthrough," and saying that pride of place at the talks should go to human rights.

This stance, designed to put the Soviet Union on the defensive, angered Mr Gorbachev. "I am not filled with admiration for that part of the visit," he said, referring to Mr Reagan's meeting with Soviet dissidents. But Mr Gorbachev also kept his response deliberately low-key.

Moscow is anxious to capitalise on the appeal of arms control in the West and to move as far ahead as it can while the conservative Republican President remains in office. It has thus sought to make arms cuts the focus of the summit.

In spite of differences between the two superpowers, the joint statement snggests that the Moscow summit, more than any of their three previous meetings, marks a maturing of the improved atmosphere in US-Soviet relations since Mr Reagan and Mr Gorbachev first met in Geneva 2½ years ago.

"The two leaders are convinced that the expanding political dialogue they have established represents an increasingly effective means of resolving issues of mutual and concern," the joint statement said. Althongh "real differences of history, tradition and ideology...will continue to characterise the US-Soviet relationship...They believe the dialogue will endure because it is based on realism and focused on the achievement of concrete results."

Pointer to progress: Ronald Reagan and Mikhail Gorbachev at the start of their last day of talks in Moscow yesterday

Considerable problems remain on arms control. There was no movement on submarine-lannched cruise missiles and, arguably most divisive of all, Mr Reagan remains determined to press ahead with testing and development of the Strategic Defence Initiative, or Star Wars.

In addition, the joint statement conceded that the discussions revealed "serious differences" over issues such as the Middle East, southern Africa and Central America.

More summit news, Page 2; Gorbachev stands by Ligachev, Page 4; Editorial comment, Page 16

A small intrepid step for Reagan

Robert Mauthner, Diplomatic Correspondent, examines the differences in style between President Reagan and Mr Gorbachev at the Moscow summit

AT THE BEGINNING of President Ronald Reagan's visit to Moscow, a US television commentator described the event as similar to Neil Armstrong's first steps on the moon. For some of his stay in the Soviet capital Mr Reagan did indeed look like an intrepid explorer, trying to come to terms with an entirely new, if not alien environment.

How could he square his description of the Soviet Union as an evil empire in the early days of his presidency with the warmth of tha welcome be received from Mr and Mrs Gorbachev and the crowd in the Kremlin Gardens?

In the end Mr Reagan was forced to admit that Russia might have been an avil empire under the preceding Communist czars, but that Mr Gorbachev had turned it into a much more habitable place

Yet, to his credit, the US President never modified his tough approach to the prohlem of human rights in the Soviet Union.

It was only at Moscow University, when he spoke about the impossibility of technological and scientific progress flourishing in anything hnt a free and democratic society, that his oratory reached an impressive level.

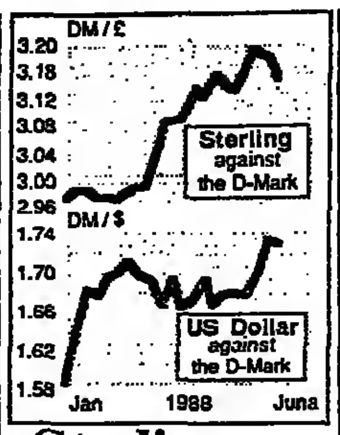
The difference in styles between the two leaders was particularly striking at their respective press conferences yesterday. Mr Gorbachev's way of conducting a press conference is not one to appeal to most Western journalists. His two-hour conference was prefaced by a long statement which left little time for questions. President Reagan did not make the same mistake during his conference, which lasted little more than 30 minntes.

On content, however, Mr Reagan came a poor second. After Mr Gorbachev's statement, journalists wanted to ask serious questions, whereas after Mr Reagan's they were mostly insignificant.

While Mr Gorbachev raised the tone by speaking passionately aboot the need for a continuing dialogue between tha two superpowers, and at times barely concealed his anger at some of Mr Reagan's pnblic strictures on Soviet human rights policies, the US president was pedestrian and listless.

His best replies consisted of well-worn anecdotes and maxims such as, "Yon don't stop loving your mother when you get married." It gets a langh, but it is hardly what it takes to make a great political occasion.

What struck jonrnalists most at Mr Reagan's press conference was his failure to give a proper reply to the question: had he learnt anything in Moscow? Mr Gorbachev had said with telling emphasis in his welcoming remarks in the Kremlin, "It is better to see once than to hear a hundred times."



Sterling falls rapidly from favour in rush to $

By Simon Holberton

THE POUND dropped sbarply yesterday in hectic trading after international investors switched a large proportion of their funds from sterling to dollars and other major currencies.

The extent of sterling's drop highlighted the UK Government's dilemma over interest and exchange rate policy. It has tried to sell the idea to domestic financial markets that the combination of a high exchange rate and low interest rates was consistent with a monetary postnre which has an anti-inflationary bias.

Both the Treasury and the Bank of England have said policy is "symmetrical" and that the markets could expect the Government to repond by raising interest rates if sterling weakened. They bave insisted there is no mechanical relationship between exchange rates and interest rates hnt officials privately agreed yesterday that the logic of the Government's position pointed to higher interest rates.

In London, the pound lost 3 pfennigs against the D-Mark and 1½ cents against the dollar. It fell more than 2 cents further against the dollar in New York although it was little-changed against the D-Mark.

The Bank of England's trade-weighted sterling index closed yesterday at 77.3 compared with 77.9 on Tuesday.

The index was last at this level when the Government cut base rates from 9 per cent to 8½ per cent. Base rates were at 8 per cent when the D-Mark was last trading around DM3.14.

Shares and gilt-edged securities in London rose in the face of sterling's weakness. Equities received a further boost from a steep rise on Wall Street on Tuesday.

Continued on Page 18
World Stock Markets, Page 37, London Stock Exchange, Page 36

N Korea's creditors consider debt write off scheme

By Stephen Fidler in London

NORTH KOREA'S foreign commercial bank creditors are considering an unusual proposal for debt forgiveness which would write off more than two-thirds of foreign bank claims against the communist state.

The proposal, presented to a meeting in London yesterday attended by most of the country's 140 or so bank lenders, was accompanied by a goodwill payment to the banks yesterday morning of $5m, the first payment of any kind received since 1984.

The proposal crystallises North Korean debt at $900m, including interest, of which they have agreed to ropay 30 per cent by tha cod of 1991. The rest would be forgiven.

The country was declared in formal default by the banks last August, an unusual move which cleared the way for court action against the couotry in pursuit of the bank claims.

The proposal was presented by the two leading creditor banks, Morgan Grenfell of the UK and the Australia and New Zealand Banking Group. The meeting was said to have been receptive to the proposal, although it is not clear whether it will be universally supported by tha banks. Many of them saw it for the first time yesterday.

The next scheduled repayment would be July 15. This suggests an ambitious timetable to finalise agreement on the repayments schedule, to win agreement from the bank creditors and to sign the accord with the Koreans.

North Korea's relations with commercial banks have been extremely difficult since the loans were made in the 1970s by the two bank syndicates. Since then and despite several reschedulings, interest payments have been rare and principal repayments non-existent.

Consequently, most banks will have already written off the loans. Some will see it, therefore, as a way to achieve some return on an asset on which they had given up hope, although there will undoubtedly be scepticism as to the likelihood of the country complying with the terms of the agreement.

The hanks coma from most western countries, except the United States, where they are forbidden by law to have dealings with North Korea. The syndicates cover just about all of North Korea's hard currency commercial debts apart from that, totalling perhaps more than $1bn, owed to Japanese creditors.

Brussels publishes options to combat sound and video pirates

BY WILLIAM DAWKINS IN BRUSSELS

THE EUROPEAN Commission yesterday put forward options for wide ranging European Community controls on commercial copyright piracy, the privata copying of cassette tapes, and sound and video recording rental rights.

Tha long-awaited plans had been held up by a debate within the Commission over whether or not to propose an EC-wide levy on blank tapes, resolved by a compromise that would allow national levies to continne as long as they did not distort trade.

The plans are contained in a consultative document asking EC member states for their views on how to iron out discrepancies in national laws on intellectual property as part of their driva to create a single market by 1992.

The document covers all areas of copyright, from industrial design to publishing, and it floats ideas for EC-wide copyright protection for new technologies like digital recording, computer software and databases.

They will form the core of EC legislation, to be published after consultations with Community governments.

The paper was adopted at a full meeting of the Brussels authorities, at which Mr Peter Sutherland, the Competition Commissioner, was opposing any kind of levy, while Lord Cockfield, his colleague in charge of the internal market and the paper's instigator, was prepared to turn a blind eye to existing national levies if they did not create trade barriers.

At the other extreme, Mr Karl-Heinz Narjes, the Industry Commissioner, and Mr Carlo Ripa di Meana, in charge of culture, were pushing for an EC-wide blank-tape levy.

On commercial piracy, the Commission suggests extending an existing Community regulation banning the sale of counterfeit goods to cover products that infringe copyrights.

It calls for tougher sanctions, including injunctions against persistent copyright pirates, wider confiscation of goods and equipment and suggests piracy should be a criminal offence in the EC.

Brussels estimates that pirated music accounts for $1.2bn of the world recording industry's $10bn annual sales, and pirate video recordings frequently outnumber legitimate ones.

The paper also calls for national discrepancies to be ironed out on distribntion and rental rights for sound and video recordings.

It is undecided on the scope and shape of any legislation on distribntion rights, but says common rules on rentals are a priority. A right to authorise rentals – though there should be no common rules on fair payments – should be granted to authors, producers and performers. It should last for possibly 50 years from the date of recording, suggests the paper.

On home copying, the paper says EC laws are needed to cope with the potential of near-perfect private recording from digital audio tapes (Dat).

It accepts that uncontrolled digital home recording could threaten copyright bolders' rights, and suggests that home Dat machines should be fitted with a device to limit their recording ability.

But the Commission warns that there must be a clear line between domestic and commercial Dat machines so as not to impede the development of digital recording technology.

CONTENTS

HOECHST AIMS FOR A RICHER MANAGEMENT MIXTURE

Deputy chairman Günter Metz says the company wants to create a global strategy, Page 20

US claims progress on 'Start' treaty issues

BY STEWART FLEMING, US EDITOR, IN MOSCOW

A SENIOR Reagan Administration official said yesterday that during the Moscow summit the US and the Soviet Union had made significant progress in narrowing differences on several key issues which need to be resolved before a strategic arms (Start) agreement. A Start deal would be aimed at cutting np to 50 per cent of the superpowers' longer range and intercontinental nuclear missiles.

However, he made it clear that in one key area, submarine launched cruise missiles, no significant progress had been made. The US has been taking a tough stance, insisting that it is unlikely that a solid verification regime can be worked out for such missiles, and that they should be left out of any accord.

Moscow maintains that Washington is trying by this tactic to capitalise on what it perceives to be a US technological lead in this area.

But even in areas where "considerable progress" bed been made – essentially constraining air-launched nuclear cruise missiles and mobile ground-launched intercontinental missiles – the official indicated that the five or six outstanding issues involved some of the toughest disputes.

He said that both Mr Reagan and Mr Mikhail Gorbachev, the Soviet leader, would like to see these problems resolved by the end of the year, hut he did not offer e particularly encouraging assessment of whether this could be achieved. President Reagan said yesterday that Washington would not put itself in a weak negotiating position by setting any sort of deadline for completion of the treaty before he left office.

The summit communiqué goes over the basic ontlines of the Start draft treaty thet have already been agreed. This establisbes ceilings of no more than 1,600 strategic offensive delivery systems and 6,000 warheads, as well as sub-ceilings of 4,900 on the aggregate of intercontinental and submarine-launched ballistic missile warheads, and 1,540 warheads on 154 so-called heavy missiles operated exclusively by the Soviet Union.

The overall verification regime for the treaty calls as a minimum for exchanges of data, baseline inspections to establish the accuracy of this data, on-site observation of the elimination of missiles, continuons inspection of prodnction sites, short-notice inspections of declared sites and sites where it is suspected missiles might be located, and a prohibition on concealment or activities which impede verification.

This verification system builds on the unusually intrusive verification methods in the Intermediate Nnclear Forces Treaty the superpowers have now completed, which eliminates intermediate range nuclear missiles.

> Mr Reagan said the US would not put itself in a weak negotiating position by setting any sort of deadline

Over and above the general verification system under discussion, however, specific verification proposals and counting rules are needed for each major missile system.

In a detailed assessment of the state of negotiations regarding mobile inter-continental ballistic missiles and air-launched cruise missiles (ACLMS) released yesterday, the US said it was sticking for the time being to its basic position that mobile missiles should be banned, but added that progress was being made towards a verification system which might lead it to abandon this stance.

This progress included acceptance by both sides that missiles and launchers would be confined to small restricted areas which would contain a limited number of missiles and launchers. The missiles and launchers would be allowed to leave the restricted areas for routine movement such as training, but each side would notify the other of such movements and of the missiles' return.

Rail mobile missiles would be confined to a limited number of rail garrisons, each containing a limited number of missiles. Each garrison would have no more than a specified number of rail entrances and exits.

Significant issnes yet to be resolved on mobile missiles include the size of the restricted areas and rail garrisons, what production facilities ehould be continously monitored, whether the missiles should be tagged for ease of identification and what sort of suspect site inspection regime ehould be employed.

On air-launched cruise missiles, the main problems remaining were identified by the US as the need to work out egreed methods of distinguishing between nnclear and conventional ACLMs, to work out rules for ettributing an agreed number of missiles to each heavy bomber – becanse it is impractical to actually count the missiles on e bomber – and to define the meaning of "long range."

Both sides agree thet in future conventionally armed and nuclear armed ACLMs should be distinguishable from each other. Heavy hombers equipped with cruise missiles should be made distinguishable from other heavy bombers.

Each heavy bomber equipped with a nuclear armed missile should count as one delivery vehicle against the 1,600 limit on delivery vehicles and an agreed, but as yet not finally determined, number of warheads against the 6,000 limit on warheads.

Relations between Mrs Reagan and Mrs Gorbachev, allegedly a problem at the Washington summit, surfaced again yesterday. Though the two have held hands frequently during the Moscow summit, they appeared to quarrel at a photocall yesterday. "We have two different ways of living, two different philosophies," said Mrs Reagan.

Gorbachev warns over breaches of Afghan agreement

BY QUENTIN PEEL IN MOSCOW

MR MIKHAIL GORBACHEV, the Soviet leader, issued a stark warning yesterday that any violation of tbe Geneva deal on Afghanistan would have grave conseqnences for attempts to reach peace agreements in other regional conflicts.

His hard line coincided with very modest progress on a whole range of negotiations on international trouble spots, inclnding the Middle East, Southern Africa and Central America.

Althongh US negotiators insisted that no Soviet threats of action on Afghanistan were issued during the summit talks, Mr Gorbachev talked tough in his final press conference.

"We shall remain true to the (Geneva) accord," he said, referring to the agreement providing for withdrawal of Soviet troops, and an end to support from Pakistan for the Afghan guerrillas fighting the Kabul regime.

He said that the Afghan agreement provided a precedent for other regional peace deals in the world. "If that precedent is ruined, that would have far-reaching consequences and affect the solntion to problems in other regions."

He repeated Soviet accusations that Pakistan was continuing to allow armaments and equipment to cross its border to the Afghan geurrillas. "There are attempts being made to frustrate the agreement." He cited an attack on tha Soviet embassy in Kabul, and the killing of "several of our comrades" in the region of Kandahar, as they were preparing to witbdraw. "We shall react accordingly."

The most tangible progress reported from the summit was on Angola, where the two sides agreed on a September target date for reaching an agreement. A new round of talks chaired by the US and involving Angola, Cuba and South Africa, is expected to be called in Lisbon this month.

A senior US official said there was "some indication that there is important common ground on some aspects of the search for a solution". these included an agreement on the complete withdrawal of all foreign troops – both Cuban and South African – and agreement on the independence of neighbouring Namibia supervised hy the United Nations.

On the Middle East, the progress was confined to some reconciliation of the Soviet desire for a broadly-based peace conference, and the US insistence that only hilateral talks could solve the Arab-Israel conflict.

Mr Gorbachev said that if a peace conference could be set up, the Soviet Union would reconsider its refusal to give Israel diplomatic recognition.

In an important reiteration of a more favourable attitude to Israel, he said: "We must recognise Israel's right to security," adding: "We must recognise the right of the Palestinian people to self-determination."

Statement stresses progress

THE following is an edited version of the joint statement issned at the fourth summit meeting between Mr Gorbachev and President Reagan:

The President and the General Secretary view the Moscow summit as an important step in the process of putting US-Soviet relations on a more productive and sustainable basis. The President and the General Secretary underscored the historic importance of this and previous meetings to laying the foundation for a realistic approach to the problems of strengthening stability and reducing the risk of conflict.

Arms control

The President and the General Secretary determined objectives and next steps on a wide range of issues to this area:

- They noted that a Joint Draft Text of a Treaty on Rednction and Limitation of Strategic Offensive Arms has been elaborated. While important additional work is required before this treaty is ready for signature, many key provisions are recorded to the Joint Draft Text and are considered to be agreed, subject to the completion and ratification of the Treaty. Exchanges on Start resulted in the achievement of substantial additional common ground.
- They reaffirmed the commitment of the two sides to negotiations on issues relating to nuclear testing. As the first step they will agree upon effective verification measures which will make it possible to ratify the US-USSR Threshold Test Ban Treaty of 1974 and Peaceful Nnclear Explosions Treaty of 1976.
- They reaffirmed the importance of efforts to address the challenges of a chemical weapons han and to achieve an effective convention.
- They emphasised the importance of strengthening stability and security in the whole of Europe. They welcomed progress to date on development of a mandate for new negotiations on armed forces and conventional armaments.
- They agreed to bilateral discussions at the level of experts on the proliferation of ballistic missile technology.

Human rights

The leaders noted that dialogue should seek to maximise assurance of the rights, freedoms and human dignity of individuals; promotion of people-to-people communications and contacts; and active sharing of spiritual, cultural, historical and other values.

Regional issues

Althongh discnssions revealed serious differences both in the assessment of the causes of regional tensions and in the means to overcome them, the leaders agreed that these differences need not be an obstacle to constructive interaction between the US and USSR.

They reaffirmed their intention to continue US-Soviet discussions at all levels aimed at helping parties to regional conflicts find peaceful solutions which advance their independence.

FINANCIAL TIMES

Published by the Financial Times (Europe) Ltd., Frankfurt Branch, represented by E.Hugo, Frankfurt/Main, and, as members of the Board of Directors, F. Barlow, R.A.F. McClean, G.T.S. Damer, M.C. Gorman, D.E.P. Palmer, London. Printer: Frankfurter Societats-Druckerei-GmbH, Frankfurt/Main. Responsible editor: G.D. Owen, Financial Times, Bracken House, Cannon Street, London EC4P 4BY. © The Financial Times Ltd, 1988.

FINANCIAL TIMES, USPS No 190640, published daily except Sundays and holidays. US subscription rates $365.00 per annum. Second-class postage and at New York NY and at additional mailing offices. POSTMASTER, send address change to: FINANCIAL TIMES, 14 East 60th Street, New York, NY 10022.

US consortium agrees on fresh joint venture rules

BY QUENTIN PEEL IN MOSCOW

THE SOVIET government and a consortium of seven US corporations have agreed on new basic principles for joint ventures, allowing foreign exchange generated by one enterprise to be transferred to another selling entirely on the domestic market.

The deal allows much greater flexibility than the joint venture legislation generally in force, which compels any new enterprise to provide its own foreign exchange to pay for importing equipment and repatriating any profits to the foreign shareholder.

That requirement has effectively restricted all such ventures to export-oriented projects, limiting the possibilities for exploiting the domestic Soviet market.

The agreement was negotiated with the Soviet Foreign Economic Consortium hy the American Trade Consortium, which involves Ford, Eastman Kodak, Johnson & Johnson, Chevron, RJR Nabisco, Archer Daniels Midland and the Mercator Corporation as merchant banker.

Future joint activities will be based on what the Soviet authorities call "a more flexible interpretation of the principle of currency self-repayment."

All the US corporations involved in the consortium are exploring or actively negotiating joint ventures to their manufacturing fields, all of which are high priority areas for investment identified by the Soviet government.

Mr Vladimir Kamentsev, deputy chairman of the Soviet Council of Ministers responsihle for foreign trade, said the agreement was "based on a new concept of trade and economic co-operation between the Soviet Union and the US. It is aimed at developing large-scale joint enterprise in the field of oil production, instrument making, automotive construction, medical equipment and the output of farm prodncts."

In a separate announcement Dr Armand Hammer, chairman of Occidental Petroleum, said he had set up a new multi-national chemical consortium to produce plastics in Western Siberia.

Boost for cultural and academic visits planned

BY STEWART FLEMING

THE US and the Soviet Union have agreed on what both call a dramatic expansion of school exchanges as part of a more active programme of academic and cultural exchanges.

President Reagan has stressed during the summit the importance he attaches to such exchanges, especially among young people. The move also fits in with the greater openness in Soviet society which Mr Gorbachev is calling for and to the increased attention which the Soviet Union is paying to the need to improve its access to new technologies.

Negotiations will begin immedietely to create stndent exchange programmes between 100 Soviet and 100 American high schools per year, with a goal of swapping between 1,000 and 1,500 high school students in each direction within two years. The current agreement would allow no more than 50 Soviet-American student exchanges.

Mr Charles Wick, the director of the US Information Agency and a close friend of Mr Reagan, said the US envisages that although federal funds will be provided for certain organisational and administrative tasks, the bulk of the support would come from private sector sources.

During the summit the superpowers also signed a second three-year agreement on hilateral educational and cultural activities. Among the new moves that are to be implemented are a doubling in the Soviet circulation in America Illustrated, a US magazine, and in America of the magazine Soviet Life.

Craxi shadow casts Italy's Communists into gloom

BY JOHN WYLES IN ROME

THE ITALIAN Communist Party, which little more than 10 years ago appeared on the brink of government, was yesterday like an animal frozen with fear in the headlights of a car. While forecasts of its demise are still premature, the party's leadership clearly has to react quickly to the looming threat posed by the Socialist party and its canny leader, Bettino Craxi, or it may be left maimed at the roadside.

What may actually have happened in last weekend's local elections is now less important than what people think has happened. In the judgments of politicians and media observers, it counts for little that only a sixth of the electorate was voting, nor that local issues were obviously paramount in some areas.

According to the pundits, the key phenomenon is that the PCI is perceived to be sliding and that with only 3.6 points between its vote and that of the Socialists, compared to 10.6 points in the same elections five years ago, Mr Craxi can really hope to accelerate past his Communist rivals in the next few years much as have Francois Mitterrand and his Socialists in France.

If this conviction takes hold, and all the signs are that it will, then the impact will be immediate. As the senior partner to the dominant Christian Democrats in the five-party government coalition, the Socialists have had their bargaining hand strengthened not only by evidence of their growing vote-winning power but also because Prime Minister Ciriaco De Mita will be less able to use the threat of a Christian Democrat opening to the Communists to keep Mr Craxi in line.

The paradox and the danger for the Christian Democrats, whose own vote held up well, is that their main governing partner is also the putative leader of a future left-wing alternative (embracing the Socialists, the Communists, the Social Democrats and the Radicals) designed to push them into opposition for the first time since the war.

Explanations for the PCI's decline are both social and political. The more Italy becomes a "post-industrial society", the faster the party's urban, blue-collar base shrinks without any compensating gains among the young, better educated and increasingly affluent technical and professional classes.

At the same time, the party is less and less a refuge for the general protest vote against "the system," nor is it able to harness new "quality of life" movements which are partly finding expression through the Greens.

But it has managed to survive at a much higher level of support than its French, Spanish or British counterparts by progressively abandoning Marxist-Leninist principles in favour of pragmatic adjustments which have led it to embrace Nato, the European Community and most aspects of the market economy.

But its image is confusing. Many of its leaders travel frequently to the Soviet Union and hardly ever to the US and while it counts itself a member of the "European left", it will not embrace social democracy.

In the 1980s the PCI distanced itself from Moscow during the leadership of Enrico Berlinguer, whose death in 1984, robbed the party of a charismatic figure with a sizeable personal following. His successor, Alessando Natta, was always seen as a transitional figure and now that he has been laid low by e heart attack, the party's internal debate on how to halt its slide will focus on the succession.

Growing collaboration with the governing parties has done nothing to end the party's isolation nor to present it as a credible vehicle for change. Mr Craxi, by contrast, is emerging as a convincing reformer (albeit a very milk and water Socialist) by insisting on social, economic and political modernisation as his price for collaboration with the Christian Democrats.

Bochum hitches its wagon to 'Starlight Express'

BY HAIG SIMONIAN

IN ONE of her songs, Ulla Meinecke, the popular Frankfurt-born singer, affectionately likened her home town to a lavatory seat. In his last album Herbert Groenemeyer, the bard of Bochum, an industrial city of just under 400,000 in the heart of the Ruhr, crooned lovingly of his birthplace as a bloom in the heart of the black country.

Now Bochum's city fathers have decided to do something about its image as an unattractive string of communities in an economically-crippled region. As their vehicle, they have chosen "Starlight Express", the spectacnlar Andrew Lloyd Webber musical about racing railway engines that has pulled in crowds in London, New York and Tokyo.

Bochum? "Why not," saya Mr Fritz Kurz, the London-based West German impresario whose Hamburg production of "Cats", another Lloyd Webber hit, has already been seen by 1m people since its opening in 1986. "I always felt 'Starlight Express' didn't work as well as it could when restricted to an old Victorian theatre," he says. "So we developed the concept of an amphitheatre." Generously, Bochum and the state government of North Rhine Westfalia shelled out almost DM23m (£7.4m) between them to build Mr Kurz and his team the stage of their dreams.

Last Friday should have seen the first night, but it had to be postponed for technical reasons. Bot despite the show's late running, locals still had plenty to celebrate. For "Starlight Express" is just part of the town's attempts to put its name in lights.

Thursday saw the opening of the Aquadrom, a DM55m indoor swimming and leisure complex looking like a cross between an Islamic temple and a tangle of giant flexible drinking straws. An 800-bed hotel is to follow.

Not all of Bochum is enraptured by the ventures, however. Representatives of the local Anarchists School Students Union, the Communist Party and the environmental Greens were out in force handing out leaflets to guests at the Aquadrom's opening jamboree criticising the expense at a time of severe spending cuts for other civic services.

The Aquadrom is in fact a private venture by Mr Heinz Steinhart, an entrepreneur from the economically booming southern state of Baden-Württemberg, who wants to build a chain of such centres across West Germany and spread a little southern prosperity np north. He already has plans for a second complementary complex in Bochum.

The city only paid DM1.4m towards the Aquadrom, says Mr Johannes Freimutb, Bochum's jovial councillor for economic development. The council carefully investigated Mr Kurz's track record before giving the green light – some members even went to London to judge "Starlight Express" for themselves.

Like other towns in the region, unemployment (over 16 per cent) has hit Bochum hard. Aboot one third of the jobless receive supplementary benefit, which largely comes out of civic coffers, and money will become tighter still after 1990, when Bonn's tax reform package promises to cut about DM750m a year from civic budgets in North Rhine Westfalia.

Bochum has some special problems of its own. It has inherited a legacy of contamination from the many cokeries adjoining the city's 20 once-active pits. The danger of subsidence was investigated carefully in the early 1960s, when the town persuaded Opel, the car manufacturer, to set up an assembly plant. The Opel works helped take much of the sting out of the coal crisis at the time and now employs 17,000 people.

But the cokeries left a noxious cocktail of debris whose emissions have polluted the neighbouring soil. Just replanting with new top soil, as is often done with simple slag heaps, is not enough.

The pollution problem has left Bochum at a serious disadvantage when competing for

European Diary

West Germany

new industry. Not only has it blackened the city's image, but the town plan's strict zoning has severely limited the amount of land available for industry. "We have about enough for another year," says Mr Freimuth.

The answer is new technology. Bochum is to be the base for a new company, sponsored by the state government, which will develop techniques for "recycling" contaminated soil. Similar pollution problems exist in many other coalmining regions around the world and Bochum hopes to become an international centre for such restorative research and technology.

A DM12m plant using thermal techniques to purify contaminated soil is already on the drawing board and building should start next year. The technology has been proved in the Netherlands, but the cost of digging up contaminated soil, shipping it to the works and ferrying it back after treatment is prohibitive. "It will cost about DM150 a cubic metre," says Mr Freimuth.

So the aim is to find cheaper chemical, microbiological or washing techniques. "Matters are still at the research stage," says Mr Freimuth, but he hopes the city's university, set up in 1962 as Germany's first new centre of higher education after the Second World War, will be able to take a lead.

In the meantime, the city is determined to create jobs and improve its image in whatever way possible. Some 130,000 tickets for "Starlight Express" have been sold already. The locals, a remarkably friendly bunch considering Bochum's problems, are generally behind the show, although there is some grumbling about high ticket prices at up to DM50-DM90.

The city council has a contingency plan to turn the "Starlight Hall" into a multi-purpose conference centre if it all flops, although that seems unlikely. A failure would entail more than DM2m in conversion costs and no doubt bring down the curtain on a few political careers as well. But given the number of obstacles on its tracks, Bochum's efforts to get up speed are hard to fault.

European central bank 'should be autonomous'

BY LAURA RAUN IN AMSTERDAM

THE FUNDAMENTAL aim of any European central bank should be price stability, and to achieve this it must be autonomous, Mr Wim Duisenberg, president of the Dutch central bank, said yesterday.

He told the American-Dutch Chamber of Commerce: "Experience has shown . . . that the level of inflation is well-nigh inversely proportional to the independence of the central bank vis-a-vis its government. This independence must also be guaranteed for the European central bank."

He did not comment on recent West German suggestions that the Bundesbank board be broadened to inclnde non-German members.

The Dutch believe a European central bank must be accompanied by unification in several policy areas, notably budgetary matters. They say the current disparity in fiscal practice among European Community members would make common monetary policy virtually impossible.

Mr Duisenberg expressed full support for the idea, long aired by Mr Nigel Lawson, the UK Chancellor of the Exchequer, of a "managed float" to bring greater stability to the world's foreign exchanges. "I am much taken with the importance which these British plans attach to price stability," he said.

The Dutch rarely pass up a chance to urge Britain to join the exchange rate mechanism of the EMS. Mr Duisenberg made the usual plea yesterday, adding that full participation would require "interest rate policy (to) be largely attuned to external equilibrium."

He added that European countries which were outside the EMS, such as Norway and Sweden, could as a first step seek to align their exchange rates with the EMS.

"With a broader base, the European countries would diminish their vulnerability to the movements of the dollar, and achieve a stronger position for co-operation with the US in order to gain more international exchange rate stability."

Bulgaria may again delay party plenum

By Judy Dempsey in Vienna

THE DELAY in fixing a date for this month's central committee meeting of the Bulgarian Communist Party is fuelling speculation in Sofia that the leadership is hesitant about the draft ideology document it is to discuss.

The central committee plenum, originally scheduled for early May, was postponed until mid-June but could possibly be put off again until after the Soviet national party conference which opens at the end of the month.

So far, Rabotnischesko Delo, the Bulgarian party daily newspaper, has published only a part of the draft policy document drawn up by the politburo. The document was supposed to have been thrown open for "public discussion" before the plenum.

The Bulgarian authorities have adopted a cautious approach towards introducing economic and political reforms. Mr Todor Zhivkov (77), party leader since 1954, has also appeared hesitant about the pace and direction of reform.

Danes groan under weight of environment

By Hilary Barnes in Copenhagen

DANISH INDUSTRY faces having to spend twice as much on environmental protection as it does on research and development over the next few years, according to Mr Otto Christensen, chairman of the Federation of Industries.

If all the environmental protection programmes presented so far by the Government and its agencies were implemented, the total cost to the country would be about DKr50bn (£4bn), he told the federation's annual meeting.

Industry's share would be about DKr20bn, and on top of this would come operational costs of abont DKr2bn a year. The total cost would be DKr6bn-DKr8bn a year, about twice as much as R&D expenditure.

"This is simply too much. The politicians must adopt sensible priorities for environmental investments," he said.

Mr Christensen noted that this was the 200th anniversary of the abolition of serfdom in Denmark. "Under serfdom, the serfs worked three days a week for their lord. We in industry now work two days in every week to pay Denmark's creditors."

Turkish PM seeks to ease his country's debt burden

BY JIM BODGENER IN ANKARA

TURKEY'S Prime Minister, Mr Turgut Ozal, left Ankara yesterday for New York to attend the United Nations disarmament special session, and to discuss Turkey's pressing external debts with bankers.

Top of his agenda in talks with the latter is the rescheduling of a large part of Turkey's Foreign Military Sales (FMS) debts to the US. Around $1.5bn could be rescheduled into US bonds in an initiative launched in Washington and New York last month by Mr Rusdu Saracoglu, the governor of Turkey's central bank.

The high interest FMS debts, with rates of between 14-18 per cent, would be converted into bonds carrying rates of 9.5-11.5 per cent, according to a deal arranged by Lazard Freres, Bankers Trust and Solomon Brothers.

The FMS credits carry the high interest rates because of the cost of extensive guarantees provided both by the US administration and the Turkish government.

In advance of Mr Ozal's planned visit to Athens on June 12, Cyprus is expected to figure large in a meeting tomorrow with Mr Javier Perez de Cuellar, the UN Secretary-General.

● A Turkish lawyer shot dead a prominent businessman and two other men in a bar at a central Ankara hotel yesterday and then killed himself, Reuter reports.

Police ara investigating motives for the mid-afternoon killings of Mr Niyazi Adiguzel, the Istanbul Chamber of Commerce president, Mr Davut Celik, head of Detay Aluminium , and journalist Mevlut Isik.

EUROPEAN NEWS

West German economy tops growth forecast

BY DAVID GOODHART IN BONN

THE WEST GERMAN economy grew slightly faster than expected in the first quarter and may now exceed the 2 per cent growth prediction for the year. The Economics Ministry said GNP rose by a real 1.5 per cent in the first quarter and was 4.2 per cent higher than in the same period last year, stronger year-on-year growth than in the US.

After good retail and productioo figures, a healthy first quarter, thougb expected, still exceeded most expectations. The Ministry said: "Barring severe external disruptions, the upper limit of 2 per cent growth predicted in the (Government's) 1988 economic report could be exceeded."

There was aome scepticism none the less regarding the provisional nature of the figures and widespread agreement that special factors, partieularly the mild winter, had created some distortion.

The construction industry, for example, grew by 20 per cent on a year-on-year basis mainly because of the contrast between 1987's severity and 1988's mildness. The effect will reverse in the second quarter because of the backlog effect in 1987, and the DIW economic institute in West Berlin is expecting GNP to fall by a seasonally adjusted 1 per cent.

Most scooomists have been predicting slower growth in 1989 with the country's five economic institutes forecasting real GNP growth of 1.25 per cent in contrast to the Government's 2 per ceot. However in the light of yesterday's oews those figures too may be revised opwards.

Mr Giles Keating of Credit Suisse First Boston in London said: "While the underlying position is not as good as these figures make it seem, it is fair to say that West Germany now has a buoyant economy." Mr Richard Reed of Phillips and Drew added: "The figures suggest that while there are elearly still problems we may have been exaggerating them a little."

The D-Mark received a considerable fillip on the foreigu exchange markets despite the fact that the Bundesbank made clear there was no likelihood of an imminent increase in interest rates. Analysts agreed a rise was most unlikely before the French elections and not probable until much later in the year.

The Economics Ministry pointed ont thet on an adjusted basis consnmer prlces had remained stable in the first three months and year-on-year prices rose by only 1 per cent. It was now important for the Government to press on with its programme of reforms to the tax system, the financing of the health service and the telecommunications system.

Despite the faster than expected growth, and a surprisingly strong sxport performance, private consumption is likely to slow over the coming months and conditions in the labour market have not improved comparing first quarter 1988 with the same period last year.

Most economists also point to the negstive impact of the increases In consumer taxes planned for 1989 and 1991 which have helped undermine any positive benefits from the tax reform due in 1990.

Mr Gerhard Stoltenberg, the Financs Minister, recently reduced the sum he expects to raise from the 1989 increase – probably on petrol and tobacco – from DM10bn (£3.2bo) to DM5bn. However he also stressed that, because of the budget deficit and higher than expected payments to the EC, a further rise in consumer taxes would be necessary in 1991. This has angered the Christian Democrat's coalition partners the Free Democrats but the latest positive economic news will no doubt strengthen Mr Stoltenberg's hand, while also reducing the hudget deficit problem a little.

Yeltsin: retreating

Gorbachev stands by Ligachev

By Our Foreign Staff

THE SOVIET leader, Mr Mikhail Gorbachev, yesterday expressed unequivocal backing to his most senior aide, the conservative Mr Yegor Ligachev, following an attack by Mr Boris Yeltsin, the ousted Moscow party chief.

At the same time, Mr Yeltsin backed awsy from calls for Mr Ligachev's departure.

At a news conference following his snmmit meeting with President Ronald Reagan, Mr Gorbachev said that "we In the ceotral committee must ask Comradc Yeltsin to cxplain his opinion and to say what he is after . . . (Tbis) means that his opinion differs from that of the central committee of the party."

He added: "As for Comrade Ligachev and bis retirement, that problem simply is non-existent."

Mr Yeltsin, speaking yesterdoy to o US televisloo nctwork, said bis remorks oo Mr Ligachev did not amount to a call for resignation. "There was absolutely no talk of resignstioo wbntsoever," he insisted.

His new position oppeared to contradict comments he madc to Western media carlier this week. He told tbe BBC that reforms would proceed fastcr if someone other than Mr Ligachev held the second-ranking position. When pressed oo whether he felt thc cooservative leader should go, he replied "yes".

In his lolest comments, Mr Yeltsin also denied haviog expressed disappoiotmeot with Mr Gorbachev's failure to back him wheo be was ousted last year. But he did repeat criticism of unnamed opponents of reform, saying that some Moscow officials were trying to slow dowo the process ofperestroika (restructuring).

Mr Yeltsin was fired as Moscow party chief in November, and later given a more junior job as a deputy head o the state construction committee. At o meeting of the Communist party central committee in February he was was removed as a candidate, or non-voting, member of the ruling politburo.

Last month, he lost his job on tbe Presidium of tbe Supreme Soviet, the country's nominal legislature.

Apart from Mr Gorbachev's comments, which amounted lo an unprecedeoted public reference by o Soviet leader to reported disagreement in the Kremlin, further criticism of Mr Yeltsin was made by Mr Georgy Arbatov, a central committee member.

"I don't think it was correct for him (Mr Yeltsin) to do it, but that is my personal opinion," he said.

Brussels seeks more cash for food sales

BY DAVID BUCHAN AND TIM DICKSON IN BRUSSELS

THE EUROPEAN Community will have more money next year to step up export rebates on sales of surplus food on world markets under 1989 budget plans approved by the Commission yesterday.

Additional depreciation for food stocks, which could lead to increased EC agricultural exports at a time of growing argument with the US in the Gatt negotiations over the future of world food trade, is a key feature of the draft hudget of Ecu47.9bn (£31bn), up 5.9 per in total over this year. Without it, overall farm spending would fall slightly.

Mr Henning Christophersen, the budget Commissioner, said the Community "will be in a more flexible position on the international market", if EC governments follow his proposal to increase the money set aside for disposing of excess food stocks from Ecu2bn this year to Ecu4bn next year.

A past brake on EC food sales has been lack of money in the budget to make up (to European farmers and their governments) the difference between higher Community and lower world prices.

"If the Russians had wanted to buy all our stocks in 1987, we wouldn't have been able to sell to them", Mr Christophersen said. "Next year we will be better able to do this."

Officials stressed that the higher figure for depreciation is in line with the new approach, agreed in principle by heads of government in Feburary and already incorporated in this year's budget, to value stocks on a more realistic basis. The gap between the Ecu12bn-Ecu13bn st whicb stocks are curreotly in the Community's books and the Ecu4.5bn-Ecu5bn which they are thought to be worth on the world market will be successively reduced by further depreciation in future years.

In a separate development, the Commission yesterday criticised sharply new Reagan Administration moves to reduce the amount of land that US wheat farmers have to take out of productioo in order to qualify for domestic price support. The level of this "set-aside" has been cut from 27.5 to 10 per cent for 1988/89.

Warning that this could "destabilise" the world wheat market, Brussels officials estimated that each percentage point cut in the US set-aside ratio could raise production by 700,000 tonnes.

The latest moves on both sides of the Atlantic could further aggravate the dispute over farm subsidies which, in turn, threatens to torpedo the current Uruguay Round of the Gatt trade negotiations. The US has expressed itself unimpressed by the farm spending reforms agreed by EC leaders earlier this year. The impact of these is, however, clear in the 1989 hudget plan.

The Commission's draft hndget, which will get a first reading from the European Parliament this summer and should win final approval by EC governments and MEPs by the year's end, calls for a 0.6 per cent rise to Ecu33bn in so-called obligatory (mainly farm) spending next year. Special price stabllisers have been designed to curb over-production of all key farm commodities.

By contrast, the Commission is proposing a 20 per ceot increase in "oon-obligatory" spending to Ecn15bn. This latter category includes technolgical research (Ecu1.5bn) and structural economic assistance (Ecu9.38bn) to poorer Community regions.

Increased structural aid has been the price demsnded by poorer EC member ststes in return for agreeing to the "internal market" measures believed to be mainly of benefit to the more industrialised states. But the cost of the much-vaunted internal msrket programme to the EC budget is minimal.

Italy urges summit stance

ITALY WANTS the four European Community heads of government taking part in this month's economic summit in Toronto to co-ordinate their positions on key issues beforehand, Mr Ciriaco De Mita, the Italian Prime Minister, sald yesterday, Reuter reports from Brussels.

According to his spokesman be suggested during talks with senior EC offictals in Brussels that the four hold a special meeting in Toronto on issues such as sgriculture, trade and Third World debt before the summit.

The Jnne 19-21 summit of industrialised countries will bring together the United States, Canada, Japan, West Germany, Italy, France and Britain to debate a wide range of economic and political issues. The European Commission president, Mr Jacques Delors, will also attend.

Commission proposal to subsidise aircraft research

BY WILLIAM DAWKINS IN BRUSSELS

THE EUROPEAN Commission yesterday unveiled plans to spend Ecu60m (£39m) oo subsidising cross-border collaborative research in aircraft technology in the two years to 1991.

Mr Karl-Heinz Narjes, the Commissioner for industry, said the cash was intended to compensate for the disadvantages European civilian aircraft companies experieoced io competing against heavily defence-funded US counterparts. The money is primarily intended for civilian research, but Mr Narjes admitted that "the boundaries between civilian and military aeronautical research are moving all the time". He could not ruls out the chance that the project might produce militarily useful results.

For that reason, the proposal could provoke worries from Ireland, the only neutral Community member state, when the EC's research ministers, whose go-ahead is needed, discuss it for the first time on June 29. It follows – thongh is not directly linked with – Commission attempts to enlarge its responsibilities for free competition in public procurement to cover defence equipment.

Mr Narjes said the initial two-year project would be followed by a much larger programme, the exact size of which would be fixed in the light of the performance of the first phase. The cash would be earmarked for pre-competitive joint research in areas like advanced supersonic flight, angine technology aod tilt-rotor aircraft. He denied that the project was "concealed subsidisation for Airbus," the source of a long dispute between Brussels and Washington.

OVERSEAS NEWS

Inflation surge worries Peking

By Robert Thomson in Peking

THE politburo of the Chinese Communist Party last night issued a document calling for political and national unity as the country tackles rising inflation that is undermining support for the ambitious economic reform programme.

Zhao Ziyang, the party general-secretary, had earlier addressed Politburo members, and, according to Chinese officials, conceded that there is a crisis of confidence among ordinary Chinese because of inflation and emphasised the need for "mental preparation to deal with the current serious problems".

The party apparently reckons that inflation this year will reach 15 per cent, up from 7.3 per cent last year and the target figure of 10 per cent set two months ago at a meeting of the National People's Congress, the Chinese parliament. But the Politburo resolved that reform must not be slowed despite the "dangers".

"The present reforms have entered a critical phase," the politburo docnment said. "International experience and domestic practice show us that the longer such difficult problems last, tha more difficult they become to solve."

In a sign that the inflation problem has divided the senior ranks of the party, the Politburo called on the "whole party" to develop "unity of thinking and action" in the "march against the stormy wsves". The meeting, also reflecting concern at a spate of worker go-slows in protest at price rises, urged "all people" to unite in supporting reform.

Chinese economists have been debating the introduction of wage indexation as a means of ensuring popular support, and it is understood that the proposal was one of several options discussed at the three-day Politburo meeting.

Zhao also apparently spoke of the need to bridge the fast-widening gap between rich and poor with a new range of taxes.

China begins HK soundings

By David Dodwell in Hong Kong

CHINA yesterday began an effort to glean Hong Kong reaction to its proposals for a post-1997 constitution for the territory with the arrival of Ji Pengfei, the State Counsellor with prime responsibility for Hong Kong affairs.

Ji Pengfei's 10-day visit marks the start of a three-week opinion gathering exercise by law drafters and constitutional experts from Peking on public attitudes towards the draft Basic Law – the document published a month ago intended to be a blueprint for Hong Kong's constitution once it becomes a special administrative region of China.

Ji's visit comes at a time of nnprecedented diplomatic activity focused on Hong Kong. China's Vice Premier with responsibility for the country's special economic zones, Tian Jiyun, left Hong Kong only five days ago after a six-day "stop-over" in the territory.

Sir Geoffrey Howe, Britain's Foreign Secretary, also flew out of the territory only two days ago.

Mass Palestinian sackings likely

BY ANDREW WHITLEY IN JESUSALEM

THOUSANDS OF Palestinians employed by the Israeli Government in the occupied West Bank and Gaza Strip face dismissal over the coming weeks because of acute financial troubles of the local, military-run administration.

The crisis stems directly from the near six-month-long Palestinian uprising, or intifada. Tax revenues, the mainstay of local expenditure, have collapssd – partly because of a civil disobedience campaign – and the central government is refusing to make up the difference.

Following a plea on Monday from a Palestinian delegation not to cut the health budget, Mr Yitzhak Rabin, the Defence Minister, made it clear that whatever solution was adopted, there would be no bale ont from the Israeli treasury. "They will not get one cent," he is reported to have said.

In response to ths revenue shortfall, welfare payments normally provided to needy Arab families have already been halted. So has all development spending. But more severe cuts in the estimated $300m budget of the Civil Administration have been foreshadowed over the past few days by top Israeli officials.

One senior Defence Ministry official calculated that between 20 and 30 per cent of the Administration's 17,000 local employees will have to he dismissed. Another official, Brig-Gen Shaike Erez – the administrative head of the West Bank – said that taxes may also have to be raised.

Business in the West Bank and Gaza Strip has been plunged into chaos by the regular strikes called by the uprising's underground leadership. Restricted shop hours, together with curbs placed by Israel on the remittance from abroad of payments or on the marketing of goods are further aggravating an economic situation Gen Erez described yesterday as "very bad".

Apart from the unrest-induced recession, the Civil Administration – a self-financing branch of the Israeli Defence Ministry – has also been hit hard by clandestine calls on businesses and individuals not to pay taxes.

In a bid to improve its own parlous financial situation and restore Palestinian dependency on the Israeli administration, services will in future be provided only on production of proof of payment of all taxes.

In its 1987-88 financial year, the Civil Administration had a balanced budget equivalent to $326m: $240m was allocated to the "regular" budget, covering running costs, and for development expenditure; a further $86m came in a supplementary budget.

Australian economy grows fast

BY CHRIS SHERWELL IN SYDNEY

FIGURES confirming a rapid expansion in Australia's economy yesterday provoked a further strengthening of the Australian dollar and lead to sharply higher prices on local stock markets.

Ths Bureau of Statistics reported that gross domestic product grew 5.1 per cent in the 12 months to March. An estimated 4.7 percentage points of the expansion came from surging domestic demand, the remainder from net exports.

As money markst interest rates firmed in response, the Australian dollar finished in Sydney at a two-year high of 59.6 on a trade weighted basis (May 1970=100), up 0.7. Against the US dollar it closed at 81.25, the highest in three and a half years.

The All Ordinaries Index has gained almost 100 points since Mr Paul Keating, the Federal Treasurer, delivered his mini-budget a week ago, and is at its highest since the week of the market crash last October.

Also released yesterday were figures showing a plateau in the growth of Australia's external debt. Gross debt at the end of March was A$112.04bn (£48.7bn), up marginally from A$111.88bn. The nst debt figure was A$88.46bn, just over 31 per cent of GDP, up from A$86.99bn.

Mr Keating said the economic figures underscored the Government's recent tightening of fiscal policy to cut overall domestic demand. The measures, he added, would allow the country to contiuue to reduce its current account deficit.

The figures showed private consumption contributed 1.6 percentage points of the 5.1 per cent growth in GDP, while public sector consumption contributed 1.0 points. Housing investment added 0.6 percentage points, and business investment 0.7 points.

Economists expressed relief that the net contribution from exports remained positive, at 0.4 percentage points. Concern has been growing that the domestic sector – particularly consumption – has recently made too great a contribution to growth at the expense of the external sector.

Bids at yesterday's Reserve Bank tender of A$500m-worth of 13-week Treasury Bills pushed yields to 11.92 per cent from the previous week's 11.60 per cent. The Bank's rediscount rate is currently 12.5 per cent.

World Stock Markets, Page 31

S Africa unions to stage protest

SOUTH AFRICA'S two main black trade union federations, putting aside ideological differences, said yesterday that they would stage a three-day anti-government protest next week, Reuter reports from Johannesburg.

The National Council of Trade Unions (Nactu) said in a joint statement it would hold a peaceful protest from June 6 to 8, at the same time as an action declared last month by the largest federation, the Congress of South African Trade Unions (Cosatu).

Tha protests are aimed at the Government's effective banning in February of 17 leading anti-apartheid organisations and against a proposed new law curbing union rights.

South Africa's emergency regulations forbid the unions from publicly declaring the form the protest will take.

Some large employers have said they may taka action other than just docking pay if Cosatu members, who include gold and coal miners, metal and food workers, stay away from work.

At an emergency meeting of 200 religious leaders in Johannesburg on Tuesday, representing some 15m believers, a majority including Anglican Archbishop Desmond Tutu voted to back the union action.

The Christian, Moslem, Hindu and Jewish delegates were divided on the issue, however, according to church sources.

Cosatu's 1m signed-up members are largely sympathetic to the outlawed African National Congress (ANC), which recruits among all races to fight for a non-racial democracy.

By contrast Nactu, with 450,000 members, identifies more closely with the black consciousness Azanian People's Organisation, which excludes whites because it argues blacks should fight alone for their own rights.

However, Nactu officials met the ANC in Harare last month and agreed thsre should be united action between the two labour movements.

● Sonth Africa has nnclear weapons and a strategic motive for using them, President Robert Mugabe of Zimbabwe said yesterday, Reuter reports from the United Nations.

The only possible targets for these weapons are blacks, "a people the racist Pretoria regime has historically treated as sub-hnmans," he said in prepared remarks to a UN special session on disarmament.

Mr Mugabe is chairman of the Non-aligned Movement. He appeared at the UN in that capacity as well as a head of state.

According to reports over several years, South Africa has a unclear potential. Mr Mugabe said Pretoria had introduced nuclear weapons into Africa, thwarting African leaders's efforts to have the continent declared a nuclear-free zone.

Pakistan PM goes quietly

BY MOHAMMED AFTAB IN ISLAMABAD

THE Pakistan Moslem League party of ex-Prime Minister Mohammed Khan Junejo, which was thrown out of power by President Mohammed Zia ul-Haq on Sunday, decided yesterday not to confront the army.

This decision was made at a meeting of the party's central working committee, its top decision-making body.

Gen Zia, who still holds the powerful post of the ehief of army staff, dismissed Mr Junejo, his 33-member cabinet and the National Assembly eharging them with corruption, slow progress oo Islamisation, incompetence, and failure to control the fast-deteriorating law and order situation which has left several hundred dead in ethnic and regional riots.

Mr Junejo addressed the committee yesterday and reported on two meetings with Gen Zia on Monday and Tuesday.

Gen Zia is understood to have acted swiftly against his Prime Minister only hours before Mr Junejo moved to dismiss two army generals responsible for the devastation of the huge army ammunition dump at Ojhri Camp, near Islamabad. The dump's stockpile of sophisticated weapons aod ammunitioo, including missiles, rockets and bombs worth several million dollars, was provided by the US to aid the Afghan mujahideen. The dump blew up on April 10, killing 104 persons, and injuring several hundred others.

Mr Junejo is believed to have wanted to act against the two generals for establishing the dump in a civilian area, and for not undertaking safety precautions. Mr Junejo would not confirm or deny the story.

The former premier took a conciliatory line yesterday and be urged the party "not to confront President Zia and the army". However, he demanded at the meeting that the elections should be held within 90 days.

Ms Benazir Bhutto, head of the opposition Pakistan Peoples Party has, meanwhile, demanded that "free, fair and impartial" elections should be beld within 90 days under supervision of an impartial body. She claimed that Gen Zia would like to keep her party out of the polls. "Elections under Zia's supervision cannot be acceptable to us," she said.

Uprising death toll put at 207

NEW FIGURES released by the Israeli army show 207 Palestininans have been killed and 5,133 injured in the Arab uprising in the occupied territories, AP reports from Jerusalem.

The death toll inclnded 157 Arabs killed by army gunfire and exceeded the count kept by the United Nations, which put the number of Arab fatalities at 198 since unrest began on December 8. The army said 50 of the deaths were still being investigated.

A left-wing MP, meanwhile, said a top defence official cited "harassment and maltreatment by soldiers against Palestinians" as the chief cause for continued unrest in the occupied West Bank and Gaza Strip.

Mr Dedi Zucker of the Citizens Right Movement said the official, whom hs refused to identify further, spoke during a meeting with legislators.

Mr Yitzhak Rabin, the Defence Minister, who held two meetings in the past week with Palestinians from the occupied lands, said Tuesday he would continue such talks "even with people who hold extreme views."

He told Israel radio he decided to arrange the talks because he was convinced the Palestinians now realized that "with stones and firebombs they can achieve nothing". In the past, Mr Rabin has said he would not meet with Palestinians until the violence stopped.

Record Taiwan budget passed

By Bob King in Taipei

WEEKS OF acrid debate ended when Taiwan's parliament passed a record T$561bn (£12.2bn) budget for the coming fiscal year at almost the last hour – but only after MPs had slashed T$7bn – from the Government's original proposals.

Approved late on Tuesday the budget for fiscal 1988, beginning July 1, is 16 per cent higher than last year's – itself a record amount. It contains a deficit of T$138bn, which will be met by the sale of government bonds.

Earlier in the month, parliament all but shelved other work as it sought to agree on items of the defence hndget, which amounts to 47 per cent of total government spending for the year, and on allocations for the Finance Ministry. Defence budget cuts totalled T$708m from the proposed T$268bn figure.

During the day, MPs considered items such as subsidies to the Government Information Office and the ministries of education and economic affairs.

Richard Gourlay reports on Manila's increasingly casual attitude to human rights abuses

Filipino hearts and minds caught in crossfire

PINNED outside Bishop Antonio Fortich's office is s photograph of a woman whose jaw has been shattered by gun shots, leaving a shocking, bloody hole. Alongside lie the bodies of her husband and their six year old daughter, whose dress is perforated by a row of bullets.

In all, five of the de los Santos family were shot dead on April 4 in Himamaylan, 70 km south of the Bacolod, regional capital of the island of Negros.

Three days after they died, a Philippine Army Scont Ranger unit admitted responsibility but claimed the family was caught in "crossfire during an encounter" with communist rebels.

The villagers and priest in Himamaylan, where the 47 year old Reynaldo de los Santos was a leader of a ehurch organisation, said no encounter ever took place. They suspect the soldiers killed de los Santos because they believed he was a communist sympathiser.

Such horror stories do not happeo every day and are certainly not as common as when Presideot Ferdinand Marcos was in power.

But slowly, respect for human rights in the Philippines appears to be deteriorating once again, as does daily life for the people caught in the middle.

When asked about Himamaylan, a senior military officer here ignored the actual killings and dismissed the pictures as "communist propaganda" pnt out by the Roman Catholic church.

Bishop Fortich, angrily dismisses the claim as a slur. He blsmes President Corazon Aquino for declaring "total war" on the insurgents earlier this year, a move, he says, that provided the already ill-disciplined military with a cloak of immunity. "There is no investigation becanse the military answers (that) this is total war," he says.

For mnch of Mrs Aquino's 27 months in office, many well-meaning friends of the re-emerging democracy have tried to see this sort of violence as an appalling, but inevitable, part of guerilla war.

Bot diplomats and hnman rights watchers are increasingly concerned that the Philippine military and paramilitary are slipping out of civilian control.

Mrs Aquino has denied, in at least one speech before officers, that there are any human rights abnses. Others around her, including human rights lawyers active during nearly 14 years of martial law, dismiss the problem as "inherited" from the Marcos years.

This last argument is partly true – no-one expected the military to transform itself overnight, even with its greatly improved corps of officers. But continued international goodwill towards the Philippines may soon depend on Mrs Aquino recognising and confronting the human rights situation.

Respect for human rights appears to be deteriorating once agsin, as does daily life for the people caught in the middle...diplomats snd humsn rights watchers are concerned that the military is slipping out of civilian control.

In surprisingly blunt fashion for a visiting official, Mr Bill Hayden, the Australian foreign minister, told Mrs Aquino in April that his country is concerned about two areas, land reform and human rights.

The two are intimately linked. Redistribute land (with compensation for the former landowners and credit for the new farmers) in islands like Negros, where less than 1 per cent of the population own more than two-thirds of private land, and the communist-led guerillas would lose much of their support. Less support would mean less fighting and therefore fewer abuses, according to many, including moderatss in the church.

As yet, no one seriously believes that Mrs Aquino sanctions military abuse – she and her commanders say they are trying to win hearts and minds as well as battles.

Bnt one reason why Mrs Aquino is enjoying more political stability now than at any other time is precisely because she has "unleashed" the military, observers say.

The ugly side-effect of this political shift to the right is that the civilian Government has adopted a see-no-evil attitude towards human rights abuses.

This slida coincides with an ominous polarisation in places like Negros. Advocates of change, like Bishop Fortich – liberals in most people's eyes – find themselves labelled communists. Meanwhile, gangs of men often unemployed, are being financed by landlords, armed by the military and organised into civilian militias.

They form vigilante groups and forces like the Philippine Constabulary Forward Command and operate with precious little training as "the first line of defense" against the guerrillas, the military says.

Bishop Fortich talks about the military's gibes with an air of desperation. "Here, if you work for the poor – fight for human rights and give them food, you are considsred a communist rebel," he says.

Bnt to his critics among landlords and the military, he is an easy target. He supports ths development of Basic Christian Communities (BCC), which, in Latin America, spawned Liberation Theology.

In the Philippines, the Bishop says, they teach that people "should struggle to liberate themselves from oppressive structures" – mainly the "feudalistic system" of land ownership. They do not preach constant revolution or support marxist ideology and therefore differ from liberation theologists, he says.

In Negros, the military does not accept this distinction and says the church group are communist fronts. Priests like Father Greg Pateno of La Carlota, on the "frontier" with areas of Negros loosely controlled by the guerillas, believe that the military has gone further and is now systematically trying to break up the Basic Christian Communities.

Reynaldo de los Santos, was an active leader of one of these communities and his wife was a catechist with motives that died with them. But their 14 year old son, and six and five year old daughters were no more involved in seditious acts than their killers were involved in an encounter with rebels.

Maggie Ford in Seoul reports on growing resentment of the pervasive presence of the US military

US in South Korea: defender of the faith or divider of a nation

IN THE CENTRE of Seoul, a crowded city of 10m people with n shortage of parks and a growing traffic problem, it is possible nevertheless for a select few people to play golf.

Almost all of these privileged players are American, for the course is part of a large US military base.

Tbe base has occupied its prime riverside site since the end of the Second World War.

Next to the headquarters of the South Korean military, the US base is a highly visible symbol of a style of relationship between the two countries which some South Koreans feel is quickly becoming out of date.

Others, especially stndents, take a more radical view, believing that the relationship is a deterrent both to the longed-for reunification of the peninsula and to the speedy introduction of democracy in the South.

The latter group stepped up its attacks on the US presence last month on the anniversary of the 1980 killings in Kwangju, a provincial city where at least 200 died when the military put down protests at the regime of ex-President Chun Doo Hwan.

Students have marched on two cultural centres and the US embassy in Seoul with home made fire bombs, shouting "Yankee, go home."

If the 43,000 troops were to leave, the US Defence Department would lose far more than Yongsan base.

A US serviceman controlling Korean civilians at the "Peace Bridge" on the Imjin river ceasefire line between North and South Korea. The Peace Bridge leads to the heavily fortified demilitarised zone (DMZ) and the trip is popular among South Korean tourists.

US troops, aircraft and weaponry, both conventional and nuclear, have a dual role: to help defend the country from the Communist North and, perhaps more importantly, to play their part in Pacific defence against the Soviet presence in Moscow's own far eastern territories a few thousand miles north of the peninsula.

With the US bases in the Philippines attracting strong criticism, Pentagon officials are expected to resist strongly any efforts to reduce their role in South Korea.

However, the growing anti-Americanism could spur a change in the operational control of the forces, not least because it is arguably in Washington'a best interests to do so.

Anti-US sentiment has grown fairly recently in South Korea as the younger generation has focused attention less on the Korean war in the 1950s and more on the period following liberation from the Japanese colonisers in 1945.

Young South Koreans hlame both the Soviet Union and the US for the division of the nation and are suspicious of the motives and activities of the US occupation forces which have controlled South Korea until 1948.

Little objective analysis of the period is available to students who have mainly been exposed to ideological propaganda which they increasingly refuse to believe.

Unlike the older generation they are also less likely to accept the Government's view about activities and motives in North Korea.

Allied to the belief that the US bears blame for the division is the feeling that Washington has snpported dictatorial leaders – particularly the widely disliked former President Chun – aginst the public wish to introduce democracy.

Many students believe that the US military knew about and acquiesced in General Chun's 1979 military coup and his later decision to send troops to Kwangju.

The South Korean Government is expected shortly to come under strong pressure to reveal the facts about the Kwangju incident at the new National Assembly where the Opposition has a majority.

US officials say that they have no control over certain individual South Korean army units under the combined forces agreement and could not have prevented either the coup or the Kwangju killings.

Mr William Gleysteen, the US ambassador to Seoul in 1980 said last year that the US had agreed that a division of troops should be sent to Kwangju after 10 days in order to end the matter.

These troops were responsible for a relatively small number of deaths.

Anti-American attitudes have also been stirred recently in the wider commnnity by heavy-handed US tactics in trade negotiations.

South Korean producers are outraged that US cigarettes are to be sold cheaply in Asia at the same time as US tobacco farmers find the home market shrinking due to health concerns.

Indebted livestock farmers have demonstrated against imports of US beef.

Observers believe that the US decision to pursue beef imports when the matter is highly sensitive and the small $20m market was formerly supplied by Australia reflects a failure in Washington to work out detailed policy in the best interests of the US. Both the US and South Korean Governments are now soft pedalling trade issues in the hope that public anger will die down.

But until Seoul accedes to demands for more democratisation, preferahly allied to progress in dialogue with Pyongyang, Washington is atill likely to receive at least part of the blame for student dissatisfaction

Sri Lanka rebel bombs prompt crackdown

MARXIST rebels set off bombs, attacked trains and set fire to buses and government buildings in Sri Lanka yesterday, said police and witnesses, prompting orders that security forces shoot troublemakers on sight, Reuter reports from Colombo.

The witnesses said troops and police fanned out to quell the violence unleashed hy the People's Liberation Front (JVP), in which one person was killed and nine injured.

The JVP, a Sinhalese extremist group opposing an Indlan-Sri Lankan peace accord, aims to disrupt regional elections set for today.

"The police and the security forces have been given orders to shoot at sight any person engaged in the destruction of public property such as burning buses, burning and looting shops and intimidating any others to engage in such acts of destruction," a Government statement said.

An elections department official said polling to choose members for councils in Western and Central Provinces will be held on today as planned under tight security despite the the violence by the JVP.

Police said a JVP member carrying an AK-47 assault rifle was shot dead at Kelaniya, 9 km from the capital Colombo, and his companion was arrested after they ignored an order to halt and tried to run away.

A bomb set off at a government building in the central tea-growing Nnwara Eliya district injured nine people, three critically, police said.

They said the explosion took place when abont 1,500 civil servants had gathered there to prepare for today's polls.

Transport Ministry officials said armed men hurled a bomb at a goods train at Yatalgoda, abont 45 km (30 miles) from Colombo early yesterday, damaging some wagons and derailing the engine. There were no passengers on the train.

In another attack, two train coaches were set on fire about 8 km from Colombo airport.

Railway tracks on the southern approaches to Colombo and on the line to the central city Kandy were blocked with felled trees and boulders.

The JVP also set fire to at least eight government offices in the southern district Matara and two in central Matale, police said.

The JVP, made up principally of Sinhalese youth, is opposing the setting up of provincial councils, a key feature in the peace accord signed by President Junius Jayewardene and Indian Prime Minister Rajiv Gandhi last July.

The JVP says that the accord is a "sell out" to India.

Israel losing fight to lure Soviet Jews

By Andrew Whitley in Jerusalem

SOVIET Jewish emigration last month reached the highest levels seen this decade, but only a tiny fraction of the emigrants are coming to Israel.

The issue is provoking deep annoyance within the Likud half of the Israeli coalition Government, and anguish among Soviet Jewish emigré organisations, a powerful lobby.

The Geneva-based Intergovernmental Committee for Migration reported yesterday that, during May, 1,145 Soviet Jews arrived in a Vienna transit camp.

By contrast, only 943 left in the whole of 1986. The overwhelming majority of the emigrants use the stopover to apply for US visas instead of going on to Israel, their stated destination.

Last month, under 10 per cent actually came to Israel. But while the US Government insists on the principle of freedom of choice of destination, Israel is adamant that its Jewish brethren at least be given a chance to try out the Promised Land.

Hence its manoeuvring to do away with the Vienna stopover and compel Soviet Jewa to fly via Bucharest instead.

Afghan resistance chiefs agree on key role for UN

BY WILLIAM DULLFORCE IN GENEVA

AFGHAN RESISTANCE leaders have agreed to let the United Nations play the key role in repatriating refugees and reconstructing their country, but are still demanding a change of regime in Kabul before the 5m refugees in Pakistan and Iran return home.

Prince Sadruddin Aga Khan, the UN co-ordinator for Afghanistan, reporting after his first visit to Kabul, Islamabad, Tehran and Peshawar, said yesterday that it was premature to set a date for the start of the repatriation.

However, his team has started to identify zones where mines can be cleared, villages rebuilt quickly and a climate of confidence created.

Before the middle of the month, the UN will formally launch its appeal for funds. A sum of between $1bn and $2bn, spread over three years has been mentioned.

Before the co-ordinator'a visit, resistance leaders in Peshawar had voiced reservations about the role given the UN under the Geneva agreement on the withdrawal of Soviet troops. The guerrillas refuse to recognise the agreement, to which they were not a party.

Prince Sadruddin stressed the need for flexibility but said his "intuition" was that some of the refugees would decide independently to return to their valleys.

The Governments in Kabul, Islamabad and Tehran have all promised to facilitate UN access. Prince Sadruddin urged donors to keep humanitarian assistance out of the bilateral "ruts" used to provide military aid to the warring factions in Afghanistan.

China picks new minister to negotiate with Moscow

CHINA announced yesterday that it had appointed a new deputy foreign minister to negotiate with the Soviet Union this month on normalising political relations, Renter reports from Peking.

A foreign ministry spokesman told reporters that Tian Zengpei would lead the Chinese delegation in the 12th round of talks from June 13 to 20 in Moscow.

Tian is a former director of the foreign ministry's Soviet and East European department and recently served as ambassador to Yugoslavia.

Tian'a predecessor was Qian Qichen, who has led the Chinese side since the talks began in 1982. He was promoted foreign minister in April.

The last round of talks was held in Peking last October and, according to East European sources, came to an impasse over China's demands that the Soviet Union press its ally, Vietnam to withdraw its troops from Kampuchea.

China says Vietnam's occupation of Kampuchea is the most important of three obstacles to normalising relations with the Soviet Union.

Western diplomats said they expected this month's talks to concentrate again on Kampuchea in the light of Vietnam's announcement last month that it would pull out 50,000 troops by the end of this year, leaving the same number behind. China said, however, expressed doubt about the seriousness of the proposal.

The other two obstacles, China says, are the presence of Soviet troops in Afghanistan and Soviet military concentrations along the border with China.

Although the Soviet Union began to withdraw troops from Afghanistan last month, diplomats said they did not expect a rapid improvement in Sino-Soviet relations.

Tian'a appointment brings the number of China's deputy foreign ministers to five.

US economic indicators point to steady growth

BY LIONEL BARBER IN WASHINGTON

THE US Government's chief gauge of economic activity, the index of leading indicators, rose a moderate 0.2 per cent in April, pointing to steady economic growth in the run-up to the November presidential election.

The rise was in line with expectations, though March's increase was revised downwards to 0.2 per cent from an original estimate of 0.8 per cent, the Commerce Department said.

US factory orders, meanwhile, rose 1.2 per cent in April and an unrevised 1.6 per cent in March. US construction spending over the same period rose 0.1 per cent in April, while the March increase was revised slightly down to 1.3 per cent from 1.5 per cent.

The figures further confirm that the economy is working close to full production and benefiting from a huge upsurge in exports on the back of a weaker dollar.

The one fear is a resurgence in inflation. The Federal Reserve in recent weeks has tightened credit and nudged up short-term interest rates, but has so far avoided a rise in the discount rate. Financial markets, however, will be examining the unemployment figures for May, due tomorrow, for signs of inflationary pressures arising from a tight labour market.

Vice-President George Bush, the likely Republican presidential nominee, who has most to gain from continued economic growth, said this week that he had a "lot of confidence" in the Faderal Reserve, "but I would not want to see them step over some [line] that would ratchet down, tighten down economic growth."

Five of the economic components of the basket of leading indicators contributed positively to a rise in the April index, led by an increase in the working week. The other four positive indicators were a rise in the money supply, a drop in weekly initial claims for unemployment, changes in sensitive material prices and contracts for plant and equipment.

Four indicators were negative in April, including the speed with which companies receive deliveries from vendors, stock prices, building permits and manufacturer's new orders for consumer goods.

Boost for Brazil seen in IMF loan

By Stephen Fidler in London and John Barham in Sao Paulo

AN AGREEMENT between Brazil and the International Monetary Fund on a $1.5bn standby credit was hailed yesterday as a significant step towards the country's international economic rehabilitation.

While the country's economic difficulties are still considered great, the agreement was seen as having important internal political implications, and as likely to have a significant effect on the attitudes of other lenders to the country.

"It means that the IMF is not an issue any more in Brazil," said one leading commercial banker yesterday. The agreement was seen as a victory for the approach taken by Mr Mailson da Nobrega, the Brazilian Finance Minister. He has managed to circumvent internal political opposition to a rapprochement with the IMF, and negotiated what is seen as a liberal agreement.

The outline agreement must be approved first by the IMF management, and then by the executive board of the IMF, which is thought likely to give its approval by early August.

Chile emergency to be suspended for poll

BY MARY HELEN SPOONER IN SANTIAGO

CHILEAN OFFICIALS have renewed the state of emergency, giving Gen Angusto Pinochet's regima special powers for another 90 days, but said the measure would not be in effect during the one-man presidential plebiscite planned for this year.

The state of emergency has been in effect for most of the regime's 14½ years in power. The measure, which has been used against non-violent dissidents as well as suspected terrorists, allows Chilean anthorities to hold detainees for five days without charges, to send them into exile or banish them to remote parts of the country and to restrict freedom of expression and of assembly.

Navy Commander Admiral Jose Merino said the state of emergency would not be in effect for 30 days before the plebiscite, or on the day of the vote itself.

Chilean officials justified the renewed measure by pointing to a recent series of armed attacks against government targets, which included an assassination attempt last week against a military judge. The Manuel Rodriguez Patriotic Front, an armed leftist group, claimed responsibility for the attack, hut has denied any involvement with the murder of two policemen last month.

The opposition criticised the decision to renew the state of emergency, noting that specific anti-terrorist laws already in effect should provide anthorities with sufficient powers to deal with internal security threats.

Chilean riot police arrested over 30 people during a human rights march in the centre of Santiago on Tuesday night, firing teargas and water cannon at the crowd of several hundred people.

● Ecuadorean President Leon Fehres Cordero on Tuesday decreed a state of national emergency and imposed press censorship ahead of a one-day general strike called by left-wing trade unions for today, Reuter reports from Quito.

An official communiqué said the emergency made the whole territory a security zone, with the army in charge of public order.

The FUT trade union confederation estimated that about 1m of the 10m population would strike.

Workers are demanding a 141 per cent increase in the minimum monthly salary of 14,500 sucres (£16).

Social unrest has been fuelled by inflation which reached a yearly rate of 40 per cent last month.

Roderick Oram recounts the revival of a company whose forte is pianos

Steinway tunes up to meet the competition

TONIGHT, 26 of the world's finest classical pianists take to the stage of New York's Carnegie Hall, the beantifully restored mecca of US music, to play the 500,000th Steinway piano built.

The newly unveiled instrument, which has taken more than a year to make, has a modern, angular exterior designed by Wendell Castle, a leading US furniture maker. Like a cricket bat or baseball inscribed with the names of players in some heroic contest, it carries the laser-etched signatures of some 900 Steinway artists.

For pianists who have made their reputations playing Steinways and for audiences who have loved the instruments' unique qualities, the gala concert is a celebration of Steinway's skill and survival. While all but a handful of the other great piano makers in the world have disappeared, the company has endured for 135 years since Henry Steinway, a German immigrant, opened his first workshop in New York in 1853.

After a rocky stretch in the 1970s when quality slipped and technical innovations back-fired, Steinway has made big strides in recent years under new owners to bolster its reputation as the best grand piano in the world.

Yet it is only just beginning to face one of its greatest challenges in the form of Yamaha, the world's largest mnsical instrument maker. The Japanese company, which celebrated its piano-making centenary last year, is making a big push into the classical concert field which has been Steinway's virtually exclusive preserve for generations. Some 90 per cent of classical concerts around the world are played on Steinway pianos.

The rivalry between the two has sparked passionate debate in the musical world over the merits of their instruments and the companies' relationships with their artists. It has also raised xenophobic fears that Steinway will be harmed hy Yamaha's ambitions. Still operating from a factory which dates from the 1870s, with designs and technique little changed from early this century, Steinway hand-builds 3,000 grand and upright pianos a year in the New York suburb of Astoria. It also builds 2,000 a year at its Hamburg, West Germany, factory.

The family sold their company in 1972 to CBS, the beginning a difficult 13 years for Steinway as a tiny subsidiary of the large US entertainment conglomerate. CBS sold it for an undisclosed sum in September 1985 to John and Robert Birmingham, two Boston business brothers, and Mr Bruce Stevens who had been Polaroid's head of international marketing. Flute and organ makers came as part of the package.

"We've basically gone back to being family-owned from an emotional and business point of view," Mr Stevens said. "We have a clear mission - to produce the finest piano in the world."

> The rivalry between Steinway and Yamaha has sparked passionate debate in the musical world and raised xenophobic fears

"They've made considerable progress," said a senior executive of Columbia Artists Management. He still sees performers get very upset at the sometimes imperfectly prepared pianos Steinway offers them for concerts. A top Steinway executive said such stories need to be partially discounted for the artists' pre-concert nerves.

The crux of the problem, though, is money. "Steinway doesn't have the money to support all their artists," the CAMI executive said. On a wider scale, some people in the musical world are worried that Steinway lacks the resources to match Yamaha dollar for dollar. Yamaha may not make the best piano in the world yet, but it has the motivation and money to try.

"We don't want Steinway to disappear," said Mr Terry Lewis, general manger of the piano division of Yamaha Music USA. "But just as there is room for more than one fine car or one political persuasion, there are far more artists than any one manufacturer can support."

Yamaha wants to prove that it huilds pianos as good as any other manufacturers'. The kudos is vital to Yamaha because it is meeting rapidly growing competition from South Korean manufacturers in the mass-produced segment of the market.

Steinway and Yamaha are worlds apart in one respect: the former hand-crafts as many pianos in a year as the latter mass-produces in 10 days in plants in Japan, the UK, the US and, from later this year, China.

They clash, however, on the concert platform. Yamaha hand-builds in Japan a small number of its top-of-the line CF III grand pianos. Each takes about a year and o half and costs about $50,000, the same amount of time and money as the top Steinways.

The highly publicised switch of pianists such as Andre Watts to Yamaha has generated vicious rumours that it is offering financial inducements. It says, though, that like Steinway it does not pay artists for using its pianos.

Opinions vary widely on the qualities of Steinway and Yamaha pianos. The former is famed for the unique responsiveness of its action, and its astounding ability to both sustain extremely quiet notes and also project impressive volume. The latter is still described unfairly by some of its detractors as sounding cold and brassy.

Among many musicians it remains heretical to suggest that there is any other piano except a Steinway. But "It is a matter of taste" said Mr Roland Loest, curator of the Museum of the American Piano in New York.

He does not personally like the Yamaha. Touching on Steinway's unique character, he said: "Once you get the hugs out of a Steinway, get it properly voiced and regulated, it will do anything you can conceive of as an artist," - as 26 pianists will demonstrate tonight.

Unpopular unions lose Aeromexico battle

BY DAVID GARDNER IN MEXICO CITY

SOME 7,500 ground staff of Aeromexico, the state-owned airline declared bankrupt by the Mexican Government in April, were formally made redundant this week, ending any lingering hope airline unions had of overturning the decision in the courts.

At the same time, the Transport Ministry this week published an obscure outline of its view of the future of Mexican air traffic, in which, senior government officials say, Aeromexico will play a much reduced role.

The new scheme foresees the deregulation of the Mexican air travel market, with two "rational, efficient, and profitable" national airlines – privately owned, it implies – and small to medium-size regional airlines.

Not mentioned in the scheme is the opening of Aeromexico's international routes to foreign carriers, which is already taking place with, for example, American Airlines taking over what was an unprofitable Mexico City-Madrid route.

In essence, officials confirm, the plan is for Aeromexico to reopen at the end of the month with a fraction of its former manpower (10,000 for 43 aircraft), under new ownership shared among the unions and private interests, with the state possibly retaining a stake. While in receivership Aeromexico is flying routes which would otherwise be left uncovered, but with 10 per cent of airline staff.

Ministers also confirm privately that the Government deliberately set out to hreak union power in the airline industry, in what one gloated was "an impeccable strategy."

The Government originally planned to close Aeromexico in December as part of its anti-inflation shock plan, under which government spending was sharply cut. The airline had cost the Treasury $130m (£70m) over the past two years and in 11 of the last 15 years had had its losses absorbed by the taxpayer.

Instead, the Government announced the sale of 13 ageing aircraft, luring the unions into a strike, whereupon it used its de facto control of the courts to decree bankruptcy. "It certainly helped that anyone who has ever suffered the inefficiency of Aeromexico felt it was a popular target," one official remarks, noting that airline employees were unable to win solidarity from other unions.

The dismemberment of Aeromexico at the same time makes Mexicana de Aviacion, the other flag carrier, in which the Government has a 60 per cent stake, mnch more saleable. Thongh Mexicana in 1987 moved into the black after $200m losses in the previous two years, its sell-off – three times prematurely announced by the Government since February 1986 – had been inhibited by union power and the presence of Aeromexico.

Final bids are in for Mexicana, against a reference price of over $200m, officials say, with the competition said to be among three industrial groups based on leading stockbrokerages.

Industry sources say the favourite is Mr Agustin Legoretta, chairman of the Mexican equivalent of the CBI, a former shareholder in the leading commercial bank Banamex before nationalisation in 1982, and the owner of Inverlat, Mexico's second hrokerage house, privatised in 1984.

The Legoretta group, partially as a result of the 1984 return of bank-owned assets in 339 companies to private hands, now has a big stake in the Camino Real hotel chain.

Against this backdrop of the drive for deregulation, against vested union interests, it has emerged that one of the most attractive bids for Mexicana has been made by a group of investors fronting for the powerful oil workers' union, which operates practically as a state within the state

Takeshita calls for ban on nuclear tests

JAPANESE Prime Minister Noboru Takeshita said yesterday the superpowers should use their improved relations to promote a ban on nuclear weapons tests, Reuter reports from the United Nations.

He said Japan, a member of the UN Security Council, had been working strenuously for such a prohibition, "in keeping with the profound desire of its people."

Addressing a special session on disarmament of the UN General Assembly, Mr Takeshita said he hoped Moscow and Washington would ratify the 1976 Peaceful Nuclear Explosions Treaty and the 1974 Threshold Test Ban Treaty so they could proceed to the next phase of limiting nuclear tests.

"The momentum of the positive developments between the US and the Soviet Union should be fully taken advantage of to promote multilateral efforts toward a nuclear test ban," he said.

WORLD TRADE NEWS

Nissan to export UK-made cars to Europe soon

BY IAN RODGER IN TOKYO AND KEVIN DONE IN LONDON

NISSAN Motor plans to begin exporting cars from its UK assembly plant to continental Europe in October.

Mr Yoshikazu Kawana, Nissan board director responsible for European sales, said the Nissan board had approved the formation of a European sales subsidiary based in Brussels to co-ordinate operations between the UK plant and European distributors.

Initial deliveries to continental Europe would be modest, but the company has previously said it aims to be exporting around 100,000 units a year from the UK to continental Europe in the early 1990s.

The assembly plant at Sunderland is planning to produce 50,000 cars this year, rising to full capacity of 200,000 a year in 1993, of which half will be sold in the UK and half in Europe.

At present Nissan only produces the Bluebird in the UK, but in 1992 it will also add a smaller Micra-class car.

Mr Kawana said the company had already exported a few cars from Sunderland to Ireland, but was eager to start selling in Continental markets too.

The company's arrival in some European markets might not be appreciated. "We expect various receptions, but we have the endorsement of the UK Government that our products are British." Production of the Bluebird reached 60 per cent local content in January.

Until now, Nissan sales in France and Italy have been restricted by those countries' limits on Japanese car imports. Mr Kawana said Nissan would aim at those markets soon. "We think France will be one of the countries with a big absorption potential. It is a major market."

In January, Nissan Motor said it had established a new company, Nissan Italia, to handle imports and distribution of vehicles in Italy as part of its programme to reinforce and expand its sales and service network in Europe.

At present the UK is by far Nissan's most important European market, accounting last year for 114,000 of Nissan's total 364,000 European car sales.

Nissan UK is a privately-owned British company with the sole right to market, sell and distribute Nissan vehicles in Britain.

Nissan Motor has sought to buy out the company, but Nissan UK said yesterday that "no discussions of any sort are taking place at this moment and no offer has been made by Nissan of Japan."

It was not expected there would be "meaningful negotiations in the near future", which meant there had been "absolutely no progress".

Turkish group set to sign Soviet construction deal

BY JIM BODGENER IN ANKARA

ENKA, the Turkish group, expects to sign a $110m (£61m)construction contract soon with the Soviet government which will help to pay for Turkish imports of Soviet natural gas.

A novel feature of the deal is that the Turkish contractors will import their own labour force for the contracts. Skills learned building prestige projects in the construction boom earlier in the 1980s in the Middle East are at a high premium for the Soviet Union.

The Enka contract – the second of a series for Turkish contractors – involves construction of a 1,000-bed hotel, and the restoration of 150-year old shopping centre in Moscow. Its signature on or around June 10 will seal one and a half years' hard negotiations which centred on price and delivery times.

The first contract was signed recently by the Turkish venture Koray Baytur. Valued at about $80m, it will involve building health centres, including hotel accommodation.

The next project likely to come up for tender could be hotel restoration and the construction of a sports and cultural centre complex in Yalta.

Much of UK industry has still to take the Japanese market seriously, **Peter Montagnon** writes

Exporters find Japan a difficult act of faith

QUIETLY, Britain has notched up a major success story to exporting to Japan. Partly because of the much-publicised purchase by a Japanese insurance company of Van Gogh's painting of sunflowers, sales of art works *last year soared* by no less than 433 per cent to £125m.

By these standards, however, Britain's success in other fields looks remarkably modest. Overall exports rose by only 26 per *cent. Manufactured exports rose* by 38 per cent, but this still left the UK lagging behind its competitors in the Japanese market - France and Germany in Europe as well as South Korea and Taiwan in Asia.

It was partly to counter this trend that Lord Young of Graffham, Secretary of State for Trade and Industry, launched a concerted campaign to boost exports to Japan earlier this year.

Yesterday, in a hall of London's Queen Elizabeth Conference Centre, about 110 specially-invited senior executives from industry were treated to a breakfast presentation designed to ram the message home.

It was the first of a series of such breakfasts which mark the main campaign, but, by comparison with the glitz of the Lancaster House launch of the DTI's other campaign to promote the European internal market, it was a fairly-subdued affair.

Lord Young himself had a prior engagement and left it to his Cabinet colleague, Energy Secretary Cecil Parkinson, to make the keynote speech. His audience *listened politely but follow-up questions* were few and far between. If anything, the outside observer was left with the impression that a large segment of British industry will take a lot of convincing to take the Japanese market seriously.

There were two clear strands to yesterday's message. The first, clearly enunciated by Mr Parkinson, was that Japan, with its high exchange rate and declining trade barriers, has become a land of opportunity.

The second, brought out out by the speakers from industry who followed him, was that establishing a presence in the Japanese market still requires a daunting *degree of commitment far greater* than that imposed by easier, and to Western eyes more conventional, markets.

UK EXPORTS TO JAPAN	£M		CHANGE	
	1986	1987	£M	%
Manufactures	695	958	+263	+38
Textiles	82	101	+18	+23
Vehicles	38	68	+30	+78
Machinery	246	299	+53	+22
Paintings	23	125	+102	+433
Total	1183	1495	+312	+26

Source DTI

According to Mr Michael Perry, the Unilever director who is chairing the Opportunity Japan Campaign, average tariff rates on Japanese imports are now only 3 per cent. The number of items on which quantitative import restrictions are imposed has shrunk dramatically, and non-tariff barriers are being steadily whittled away.

Last year, Japan altered its regulations on bottled mineral water to conform to the normal international practice of allowing non-boil sterilisation. Imports tri*pled to 3.5m litres, though French* producers were predictably the major beneficiaries.

Following an earlier tariff reduction, Japanese imports of chocolate surged by 56 per cent last year. UK sales rose by 26 per cent, but those from Switzerland advanced by 40 per cent and exports of US and German chocolate grew 90 per cent or more.

Mr Perry believes that one reason for the UK's relatively poor showing in cases like this is the publicity that has been given in this country to trade disputes with Japan. Problems over Scotch whisky sales and Tokyo stock exchange seats for UK firms have led British companies to assume, wrongly, that Japan is still a closed market.

Yet no sooner is this illusion dashed, than another set of potentially more intractable barriers emerges. To succeed in Japan requires expensive commitment and a presence in the market that takes a long time to build. Glaxo, the pharmaceuticals concern, for example, with a turnover there of £150m, has 875 staff locally, all of them Japanese.

For British managers pondering similar ventures, this raises difficult questions about recruitment and Japan's tradition of lifetime employment.

Though lifetime employment is a cultural rather than a contractual obligation, it may still be hard for British employers to swallow, after years of struggle with trade unions at home. Then there is also the question of financial return about which nothing was said at yesterday's meeting.

"Starting from scratch, most companies say you're unlikely to turn the corner (into profit) within three years. It's more likely to be five years," says Mr *Geoffrey Sheppard, business general manager* at Amersham International. That is a long time for companies whose horizons are being driven ever shorter by the exigencies of stock market inves*tors and fund managers.*

Yet, according to Mr Perry, Japan is still an opportunity that simply can no longer be ignored. It is a larger market than the UK, France and Germany put *together; in* these days of global markets a presence there is vital.

Only by operating within Japan can British companies expect to compete with their Japanese counterparts around the world, or even co-operate successfully with them in third country markets.

In the sombre grey decor of the conference centre, yesterday's meeting had a metaphysical, religious tone. There was much earnest talk of present commitment leading to distant reward.

A faw of those present had clearly seen the light. For the rest, however, taking the good news on board clearly still required a *difficult act of faith.*

Hitachi sues S Koreans over microchip patents

BY STEFAN WAGSTYL IN TOKYO

HITACHI, the giant Japanese electronics group, is suing a South Korean company over alleged infringement of patents for microchip production.

The case highlights increasing trade rivalry between Japan and South Korea, generated by South Korea's rapid recent economic and technological advance.

Ironically, Japan has itself frequently been accused of stealing US and European technology. Now that it has overtaken the West in some technologies it has run into similar difficulties in guarding its trade secrets.

Hitachi claims that Samsung Semiconductor and Telecommunications, a member of Samsung, one of Korea's largest industrial groups, is illegally using processes developed by Hitachi to produce memory microchips. Hitachi says it has Japanese and US patents for its process.

Hitachi says the two sides are trying to negotiate a settlement, which could be reached soon. But the Japanese company says it has also started "court proceedings" against Samsung Semiconductor over the case.

Hitachi is keen to avoid the argument escalating. It is understood the group will be satisfied with securing royalty payments from the South Korean company. "This is not Korea versus Japan," said one Hitachi official.

Disputes over copyright and patent protection have long dogged South Korea's relations with the European Community and the US.

South Korea last year joined international agreements on patent protection, under which it recognised the principles of laws governing intellectual property in developed countries.

But the intepretation and enforcement of these agreements remains a great source of trade friction. Japan has so far kept its head down. But the Hitachi claim shows rising concern among Japanese companies about South Korean competition.

Earlier this week, Japanese knitwear makers said they were considering asking the Ministry for International Trade and Industry to investigate dumping by South Korean companies exporting to Japan. This would be the first-ever action of its kind.

Court gives US 'grey market' go-ahead

BY NANCY DUNNE IN WASHINGTON

THE US Supreme Court hasupheld controversial Customs Services regulations which permit the entry into the US of many cheap brand-named goods not sold through authorised channels. The ruling reversed a Federal appeals court decision.

The court ruled by a 5-4 vote that the Tariff Act of 1930 was "ambiguous" enough to justify the so-called "grey market" label which allows goods to be imported without the approval of the US manufacturer or the authorised distributor.

The decision, however, invalidated part of the Customers Service regulations which allow the import of goods authorised under US trademarks by totally unaffiliated companies abroad.

The grey market has been operating in the US for about 50 years. As the number of discount stores using it has grown, trademark owners and authorised dealers have become increasingly angry. It allows the sale of such items as cameras and watches at discounts as high as 40 per cent below the usual retail price of the items.

The case in the ruling was brought by a group of trademark owners challenging the regulations in federal court. Last year, a federal appeals court ruled against the Customs Service and said the grey market was not upheld by law.

Discount stores hailed the ruling as a victory for consumers and importers. However, so much is at stake in the market, for which estimates range from $6bn-$10bn, that further litigation is expected.

The Coalition to Preserve the Integrity of American Trademarks, an association of 80 US companies and trade organisations, has vowed to seek legislation to change the law.

Its attorneys argue that the grey market works to the disadvantage of consumers, who do not always get the genuine goods, full warranties or services which they get by buying through authorised dealers.

World textile growth expected to slow

BY ALICE RAWSTHORN

THE pace of growth within the world textile and fibre industries is expected to slow from now until the mid-1990s, according to a new study.

After a period of stagnation in the early 1980s, the level of demand for fibres from the international textile industry has enjoyed a brief revival in recent years.

But demand for fibres will become more sluggish over the next few years. The study, published in the Economist Intelligence Unit's journal Textile Outlook International, anticipates growth of 2.3 per cent a year until 1995. Consumption per head will remain static.

This annual growth forecast of 2.3 per cent compares with the more buoyant levels of 3.8 per cent in the 1950s, 4.3 per cent in the 1960s and 2.5 per cent in the 1970s.

The growth in demand is expected to be slowest in the US and the European Community, which are the world's biggest importers of textiles and clothing. The rate of growth within the developing countries is also falling.

With little growth in the world textile market in the 1980s, there has been a radical relocation of manufacturing capacity. In the mid 1980s, just 28 per cent of primary textile processing – or the spinning of yarn – was carried out in Western Europe and the US, compared with 36 per cent in the early 1970s.

The study expects the growth of East and South East Asian producers to continue and says all extra demand for textiles and clothing from the US and Western Europe will be met from these developing countries.

Textile Outlook International. Published by the EIU, 40 Duke Street, London W1A 1DW. £60.

Former Guinness chief refused aid with legal costs

BY CLIVE WOLMAN

MR ERNEST Saunders, the former Guinness chief executive, yesterday made a surprise appearance in court to represent himself in a remand hearing. He sppeared after being refused legal aid to contest the 40 charges that have been brought against him concerning his role in the Guinness takeover battle for Distillers two years ago.

After the hearing, Mr Saunders' solicitor, Mr Norman Turner of Landau and Landau, said that he was making an application for emergency legal aid to tbe Law Society to allow Mr Saunders to seek judicial review in the High Court of the decision to refuse him legal aid. The magistrate in London's Bow Street court, Sir David Hopkin, refused him legal aid on Tuesday for a second time on tbe grounds that his means were sufficient to meet the costs of defending a criminal action without assistance.

The second refusal has given rise to speculation that Mr Saunders may bave assets, such as a second home in Switzerland, beyond what be has been obliged to declare on his legal aid application form. Mr Turner said yesterday: "My client is virtually broke. He has no income and no disposable assets except a share in a small property in Switzerland. If I thought he had a pot of money lying around, I would not be acting for him. I will only get paid if be is awarded legal aid."

A defendant is entitled to legal aid if he has disposable assets, excluding a home, of less than £3,000 and a relatively modest Income. Mr Tnrner said that although Mr Saunders previously owned other property in Switzerland and elsewhere, be had been forced to sell these assets to meet the legal costs that he has incurred so far since being dismissed as chief execntive of Guinness in January 1987.

His former home in Buckinghamshire which he was forced to sell last year was half owned by his wife. He transferred his share to a trust for his children shortly before any legal actions were brought against him. He was now being given an allowance of £600 a week out of the trust fund by his children.

The trial is not expected to start until next spring. Its length will depend on the nnmber of contested factusl issues or whether the focus falls on the alleged dishonesty of the defendants and technical legalities.

Accountants launch first European joint venture

BY RICHARD WATERS

THE FIRST joint venture between a UK firm of accountants and a firm from another European company is to be laumcoed next week.

It is targeted at the market created by the flow of investment into the UK from Germany, expected to increase with the creation of the European internal market.

The new operation, Gane Jackson Scbomerus, is jointly owned by two medium-sized firms of accountants, London-based Gane Jackson Scott and Schomerus & Co of Hamburg.

The new firm will provide advice to Anglo-German businesses in the UK and specialise in preparing accounts and returns for German parent companies, said Mr Nicholas Brooks, a partner of Gane Jackson Scott.

Larger firms of accountants have long-establisbed relationships with firms abroad to enable them to serve this market, but have not formed joint ventures in this way.

The new partnership is allowed under British law to sign audit reports, but is not able to call itself a firm of chartered accountants. The German professional qualification of wirtschaftspruefer is not recognised by the chartered accountancy bodies in the UK.

This is likely to change under a proposed European Community directive which would require the mutual recognition of professional qualifications.

Teachers seek more commitment by parents

By David Thomas

BRITAIN'S head teachers want parents to sign contracts committing them to become involved with their children's education in an effort to solve discipline problems and raise standards in schools.

The proposal for a home-school contract was made yesterday at the annual conference in Eastbourne of the 29,000-strong National Association of Head Teachers.

It sees the idea as a way for parents to play an active role in their children's education.

There are fears that the Government's proposals in the Education Reform Bill will push parents into confrontation witb schools by restricting their role to monitoring school standards.

Mr John Wootton, NAHT president, told the conference: "Parents must accept accountability and responsibility for their children. It is an issue that cannot be svoided, if we are to improve the quality of life for all our citizens."

The association is planning to launch home-school contract pilot projects in selected schools in the autumn.

It is working on the scheme with representatives of chief education officers, the National Confederation of Parent-Teachers Association and the Royal Society of Arts.

The plan is for teachers to sign a contract committing the school to a range of goals including providing a stable and disciplined environment, regular information on the progress of pupils, and delivering challenging lessons.

For their part, parents would agree to ensure that children attended regularly, to accept the schools discipline, to discuss regularly children's progress with teachers and to provide a home environment helpful to children's education.

Objectives would also be set for older pupils who would sign the contract.

Mr Bob Fisk, a member of the NAHT Council and a Northumberland head teacher, who has helped develop the proposal, said the contract would not be legally binding, although Mr Wootton floated the idea of parents being made to pay for their children's vandalism.

Cotton town partners face housing enigma

BY IAN HAMILTON FAZEY, NORTHERN CORRESPONDENT

"I read the news today, oh boy - 4,000 holes in Blackburn Lancashire." The Beatles immortalised the town's problem with potholes in the street. **Ian Hamilton Fazey** examines its present problem with properties

BLACKBURN, an old textile town of 140,000 people, became famous 21 years ago when the buge number of potholes in its roads featured in A Day in the Life, the last song on the Beatles' Sgt Pepper album.

The potholes are mostly gone, but there is an 11,000-strong problem of a more intractable kind - and possibly unique to the former cotton communities of north east Lancashire.

It is the biggest and costliest conundrum faced by the Blackburn Partnership, which is to be launcbed today by Prince Charles, president of Business in the Community (BiC).

The partnership - in which the pnblic and private sectors will work together on economic regeneration - is Britain's second, following a successful BiC experiment in Calderdale, West Yorkshire.

The conundrum it faces ought to be impossible in today's, home-owning Britain. Yet Blackburn has a property-owning poverty spiral.

Before the First World War the owners of Blackburn's cotton mills built their workers houses. There were about 500 houses per mill, back-to-back terraces standing on ash fonndations. Their continuous black slate roofs snake np the steep hillsides.

About 70 per cent of Blackburn's bouseholders own their homes and two-thirds, that is 25,000, were built before 1919. Of these, about a third are officially classed as in need of substantial repair. As many as 11,000 may even be technically unfit for habitation, with market valnes of just £2,000 to £3,000.

To remedy the ash foundations, install indoor sanitation and generally improve them would cost between £10,000 and £15,000 each. Yet their market value would then still only be £8,000-£10,000, so no one is silly enough to improve them.

Demolition seems no answer eitber: redevelopment would replace three small terraced houses by one modern one to reduce crowding, but the compensation to the three dispossessed householders would exceed the likely market value of the single replacement dwelling.

This would hardly sppeal to private sector housebuilders and would lead to homelessness. Moreover, the local anthority is too constrained by spending limits to do the clearance itself or rehouse those made homeless.

The result is a policy paralysis.

The good news for the Partnership, however, is thet unemployment has fallen to 11.4 per cent from 16.3 per cent less than a year ago."It has not been because of new industries but because we have wider variety of industries now, all of which have picked up together," says Mr Jim McKinstry, chief executive of Blackburn's chamber of commerce and former Ran Xerox executive.

Indeed this former cotton and heavy engineering town has already restructured itself. Wallcoverings are represented by Crown, Graham and Brown, and Burlington; cbemicals by ICI's expanding Perspex factories; ligbt engineering by numerous smaller companies. Reed International makes paper at Darwen, within Blackburn's boundary.

Brewing survives from the old days witb Thwaites, Matthew Brown (part of Scottish and Newcastle) and Whitbread.

The Royal Ordnance Factory, owned by British Aerospace, makes fuses and fine precision parts, employs 2,000 and claims to have the UK's finest toolroom. Scapa-Porritt, has about 1,000 on its payroll and turns over £300m a year making felts for the papermaking industry.

Press Parts has grown from nothing in 10 years to deep-draw up to 3m items a day. Mr Geoff Livesey's Cobble Mill provides work for 500 people who make carpet-tufting machinery, with 80 per cent of sales going to export.

Mr Livesey took on the presidency of the then moribund chamber of commerce five years ago and persuaded Mr McKinstry to join him in turning it into a focus for indnstry. They are likely to be the prime private sector enablers in the Partnership.

The council's political leaders - Labour has 31 of the 60 seats, the Conservatives 24 - will also be key figures, as will Mr Jones and Mr David Taylor, chief executive of Lancashire Enterprises, the county council's economic development arm.

Since public and private sectors were already working well together, is a BiC partnership necessary? Mr Jones, Mr McKinstry and Mr Taylor stress the national contacts and potential inward investment BiC brings.

It is through plugging into sucb a national netowrk that most people are pin their hopes of finding solutions to some peculiar local problems.

Tories put bite into biggest membership drive for decade

BY TOM LYNCH

FOUR SOLEMN and serious faces lined up at Conservative Party headquarters in London yesterday to launch the Tories' biggest membership drive for 10 years.

Three of the faces belonged to members of the party hierarchy and the fourth to Duke the bulldog, a star of last year's Conservative general election campaign.

His lugubrious and somewhat ugly features adorned lapel badges and the publicity material which should soon be dropping through the doors of those suspected of being Tory voters.

With a central budget of £50,000 in pump-priming money – average of less than £100 for each of the 561 constituencies in England and Wales – the campaign appeared to be in harmony with the Government's drive for valne for money.

However, there was some uncertainty among journalists about whether it was in tune with ministerial insistence on setting targets for measuring success – as in the National Health Service.

Mr Peter Brooke, the party chairman, stuck to the traditional Tory argument that central membership figures were not collected because constituency parties were antonomous. However, he said there was a general acceptance in the press that membership was about 1m.

Pressed on how the campaign's success could be jndged, Mr Brooke said returns of membership figures would be sought from constituencies for the first time. Success would be "an absolutely firm figure of 1m," a definition of success unlikely to be recognised by nationalised industry chairmen.

He acknowledged that membership had probably dropped in recent years, but rejected the suggestions that the campaign was a symptom of panic or thet it was prompted by the party's post-election overdraft, though be confirmed that it still had one.

The campaign slogan is Invest in Britain's Future, and the aim is to convert some of the 13.7m people wbo voted Conservative last year into contributing members. A parallel campaign in Scotland starts on August 1. The last such exercise – in 1978 – was called Link Up with the Conservatives, but Mr Brooke was unable to shed any light on how successful that had been.

However, the centre of media attention yesterday was Duke, who stepped forward from snuffling around the back of the room to be photographed with the other serious faces. Some thought he looked dejected. Mr Brooke preferred to see him as representing the party's theme of "continuity and stability."

The campaign will run until the end of October.

Financial advice body's advertising ruled unfair

BY DAVID BARCHARD

THE ADVERTISING Standards Anthority has ruled that a series of newspaper advertisements by Camifa, the Campaign for Independent Financial Advice, violated the Code of British Advertising Practice and were 'unfairly denigratory' to company representatives.

However, news of the ruling appeared to take Camifa by surprise. Mr Julian Bosdet, a spokesman for the organisation, said: "We dispute the ruling and will be talking further to the ASA about it."

Camifa is a body set up by 14 leading life assurance companies to promote the role of the independent financial adviser under the Financial Services Act. Its advertisements were targeted against organisations which have opted for "tied" status under the Act and sell only insurance and unit trust products of a single company.

Fourteen "tied" organisations, led by the Abbey National and Allied Dunbar, complained to the ASA on April 29 about full page advertisements placed in national newspapers by Camifa under the headline: "At last there is insurance against insurance men."

The ASA's Code of Advertising Practice Committee's ruling found against the Camifa advertisements on three counts. It said that they exploited the credulity of the reader in a complicated situation and were denigratory to the company representative.

The ruling said that the overall impression semed to imply a Government announcement and might mislead some readers. It also said that it was misleading to suggest that independent representatives would always be able to sell any product.

Mr David Thorn, chief executive for insurance and investment at TSB, the broadly-based bank group,said he was pleased by the ruling.

"It is our view that the Camifa adverts were misleading and inaccurate and, therefore, the Advertising Standards Authority ruling represents a very satisfactory outcome," he said.

UK NEWS

Britain may select French nuclear reactor design

BY MAX WILKINSON, RESOURCES EDITOR IN SORRENTO, ITALY

THE Central Electricity Generating Board is planning to replace its present design for pressurised water nuclear reactors with a more powerful plant, perhaps built under under licence from France.

The plans are still at an early stage but they could mean that the original idea of building a family of four to six identical PWRs will be scaled back to two or three.

Plans to start a second family of more advanced PWRs emerged in Sorrento at an international conference for electric utilities (Unipede), where the CEGB have made informal contact with representatives of the French industry.

Both sides are waiting, however, for the British Government to work ont how the costs of its nuclear programme are to be apportioned after the industry is privatised in 1990.

The CEGB wants to move as quickly as possible to the new design because of the relatively poor economic performance expected from its US-designed PWR. This is being built at Sizewell in Suffolk, sonth east England, at a cost of £1.7bn with a successor planned at Hinkley in Somerset, on the south west coast.

A study by Unipede experts suggested that if world coal prices remain relatively low, electricity from the Hinkley PWR would be only 9 per cent cheaper than power from a new coal-fired station.

In France, however, nuclear electricity has a 65 per cent cost advantage.

To help close this gap, tha CEGB wants to develop a second-generation PWR with a single 1,400 megawatt turbine-generator like France's latest series of N4 stations. This would cost no more to build and would be cheaper to run than the Sizewell plant. It would produce 20 per cent more power using less nuclear fuel.

Tha CEGB estimates that developing the new design and obtaining approval from the British nuclear inspectorate would cost £100m and take eight years.

However, after privatisation, the job of planning nuclear plant will effectively pass from the CEGB to a new national transmission company, jointly owned by the 12 area distribution companies.

Distribution companies will be obliged by law to obtain about a fifth of their electricity from nuclear plant, but they will be free to choose the supplier for new nuclear capacity. The CEGB is likely to retain an advantage in the UK because competitors would have to spend many years gaining approval for their designs.

However, the board is expected to come under strong pressure to bring its nuclear performance closer to the standards set by France. It is considering whether the quickest way to do this might be to seek a licence from Framatome of France which has successfully built an N4 reactor.

A senior CEGB executive said the board's privatised successor could afford to spend £100m developing a better nuclear plant only if the distribution companies agreed to pay and pass the cost on to consumers.

Before the Government announced its plans to privatise the electricity industry, the CEGB was planning to build a family of four PWRs by the end of the century using its present design from Westinghouse

It seems likely that only two or perhaps three will be huilt if the board can press ahead with a new design. The Government will ensure that output from the Sizewell PWR is allocated to distribntion companies under contracts drawn up in Whitehall before the sell-off.

Ruling soon on reactor inquiry

Financial Times Reporter

A RULING on the scope of an inquiry into plans to build Britain's second pressurised water reactor (PWR) nuclear power station at Hinkley Point, Somerset, in the west of England, will he issnad in about three weeks.

This was announced by the inquiry inspector, Mr Michael Barnes, who yesterday heard calls from objectors to allow evidence on all safety and economic issues concerning the PWR and the disposal of nuclear waste.

About 400 people, mostly opponents of the power station proposal, attended a pre-inquiry meeting held at Cannington in Somerset.

The Central Electricity Generating Board makes clear in its "Statement of Case" prepared for the inquiry that it believes safety issues should be confined to minor changes in the Sizewell B design which has already been approved after a 27-month inquiry, the longest public investigation in Britain.

The document also makes clear that the board believes that economic issues should be based on comparisons with other non-fossil fuel sources, not with coal-fired electricity generation.

This is a reflection of the board's argument that a third nuclear power station is needed at Hinkley Point to help meet the aims of government policy on reducing reliance on fossil fuels.

Under the Government's privatisation proposals, a minimum percentage of non-fossil fuel energy will have to be purchased hy companies taking over the electricity supply industry.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY-Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1980=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unem-ployed	Vacs.
1986							
4th qtr.	110.5	104.9	95	126.5	194.3	3,141	213.0
1987							
1st qtr.	111.2	106.4	95	125.4	156.9	3,073	210.4
2nd qtr	112.2	108.5	96	128.3	165.9	2,965	226.1
3rd qtr	114.0	111.4	94	131.8	171.8	2,827	241.2
4th qtr	114.8	112.4	94	133.4	210.8	2,658	262.1
July	113.2	110.4	94	131.0	173.6	2,876	235.2
Aug.	115.0	112.4	95	132.1	171.0	2,829	236.9
Sept.	113.7	111.3	94	132.0	170.9	2,773	248.6
Oct.	114.6	111.9	94	132.0	180.8	2,712	261.4
Nov.	114.8	112.5	94	133.6	199.3	2,649	268.2
Dec.	115.1	112.7	94	133.5	244.9	2,614	256.6
1988							
1st qtr.	113.9	112.2		135.2	173.3	2,584	247.6
Jan.	115.0	113.8	98	134.9	176.0	2,565	249.5
Feb.	112.6	110.9	96	135.3	168.5	2,532	247.9
Mar.	114.0	111.9		135.5	176.1	2,505	245.5
Apr.				135.8		2,455	253.7

OUTPUT-By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Cnsmer goods	Invest goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1986							
4th qtr.	108.5	101.5	115.7	104.2	114.4	104.5	15.5
1987							
1st qtr.	107.8	100.7	117.9	103.1	114.5	103.9	17.4
2nd qtr	110.4	101.7	118.0	104.4	120.0	104.7	19.6
3rd qtr	113.0	105.1	118.6	107.9	120.9	106.7	20.3
4th qtr	113.5	107.2	118.8	109.7	121.9	106.5	17.2
July	112.6	102.5	118.6	106.0	121.0	107.0	20.9
Aug.	113.7	106.9	119.4	110.0	123.0	108.0	17.9
Sept.	112.8	105.8	117.7	108.0	119.0	105.0	22.1
Oct	113.3	106.5	119.1	109.0	122.0	107.0	18.9
Nov.	113.5	107.0	118.9	109.0	129.0	105.0	19.1
Dec.	113.6	109.4	118.3	111.0	115.0	105.0	14.6
1988							
1st qtr.	113.8	104.0	118.3	107.4	126.2	103.8	18.8
Jan.	114.7	104.4	120.0	108.6	137.0	106.0	19.1
Feb.	112.8	103.6	116.5	106.0	124.0	104.0	19.3
Mar.	113.9	104.1	118.4	108.6	118.0	101.0	17.8

EXTERNAL TRADE-Indices of export and import volume (1980=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1980=100); official reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Reserve US$bn
1986							
4th qtr.	120.9	142.0	-2,553	-556	+522	100.9	21.92
1987							
1st qtr.	129.5	132.5	-1,311	+739	+1,159	100.4	27.04
2nd qtr	126.6	141.1	-2,317	-400	+1,016	102.4	34.36
3rd qtr	130.6	151.1	-3,109	-886	+936	102.7	34.81
4th qtr	134.8	152.5	-2,888	-1,282	+1,073	102.9	44.33
July	130.1	148.8	-991	-253	+267	103.3	34.91
Aug.	127.8	154.8	-1,424	-687	+359	102.8	34.36
Sept.	134.1	149.7	-695	+48	+310	103.9	34.81
Oct.	131.8	148.4	-872	-353	+394	102.7	41.40
Nov.	135.4	154.3	-1,056	-408	+332	102.7	41.28
Dec.	137.1	154.9	-1,010	-441	+346	104.2	44.33
1988							
1st qtr.	125.0	148.3	-3,709	-1,909	+881	104.7	44.64
Jan.	126.4	151.5	-1,472	-872	+356	104.3	43.80
Feb.	123.6	147.4	-1,352	-752	+311	104.6	42.93
Mar.	126.1	146.0	-885	-285	+213	105.2	44.64
Apr.	124.2	155.5	-1125	-525	+300	106.5	47.86

FINANCIAL-Money supply M0, M1 and M3 (three months' growth at annual rate); bank sterling lending to private sector; building societies' net inflow; consumer credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M0 %	M1 %	M3 %	Bank lending £m	BS inflow £m	Cnsmer. credit† £m	Base rate %
1986							
4th qtr.	7.6	15.3	14.1	+10,516	2,314	+591	11.00
1987							
1st qtr.	1.2	20.6	20.2	+6,730	1,465	+977	10.00
2nd qtr	3.3	29.7	20.3	+8,554	1,804	+1,068	9.00
3rd qtr	8.1	25.2	21.7	+11,506	1,211	+874	10.00
4th qtr	7.2	23.8	24.1	+11,185	3,007	+946	8.50
July	7.7	24.5	24.2	+4,531	347	+277	9.00
Aug.	7.1	22.5	21.0	+2,651	667	+250	10.00
Sept.	9.5	19.5	21.4	+4,334	197	+347	10.00
Oct.	6.9	26.7	26.2	+2,922	812	+340	9.50
Nov.	7.1	23.2	21.8	+3,276	1,125	+357	9.00
Dec.	7.6	11.6	21.9	+4,987	1,069	+249	8.50
1988							
1st qtr.	2.4	9.1	11.8	+12,028	3,061	+1,030	8.50
Jan.	2.7	1.0	7.9	+5,588	890	+298	8.50
Feb.	1.9	2.9	9.9	+2,549	1,102	+289	9.00
Mar.	1.8	24.9	17.7	+4,891	1,069	+423	8.50
Apr.	6.5		28.1	+5,927	1,576		8.00
May							7.50

INFLATION-Indices of earnings (Jan 1980=100); basic materials and fuels; wholesale prices of manufactured products (1980=100); retail prices and food prices (Jan 1987=100); Reuters commodity index (Sept 1981 =100); trade weighted value of sterling (1975=100)

	Earn-ings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods	Reuters* cmdty.	Sterling
1987							
1st qtr.	192.8	129.6	142.3	100.2	100.5	1,560	68.9
2nd qtr	196.0	128.7	150.0	101.9	101.8	1,598	72.8
3rd qtr	202.0	131.0	151.6	102.1	100.9	1,647	72.7
4th qtr	206.6	133.4	153.3	103.3	101.7	1,623	74.9
Aug.	201.5	131.3	151.5	102.1	100.7	1,656	72.3
Sept.	201.4	131.1	152.0	102.4	100.4	1,659	73.1
Oct.	203.4	130.8	152.8	102.9	101.1	1,652	73.5
Nov.	207.3	131.4	153.2	103.4	101.5	1,602	75.4
Dec.	210.3	135.1	153.7	103.3	102.4	1,707	75.5
1988							
1st qtr.	208.9	132.7	154.2	103.7	102.5	1,747	75.3
Jan.	206.9	135.9	154.6	103.3	102.9	1,752	74.9
Feb.	208.7	134.0	155.2	103.7	103.5	1,785	74.8
Mar.	213.1	131.2	155.9	104.1	103.9	1,734	76.8
Apr.		132.8	156.5	105.8	104.4	1,736	76.2
May						1,770	76.4

*Not seasonally adjusted

† Net changes in amounts outstanding, excluding bank loans.

INQUIRY INTERVENTION WITHOUT PRECEDENT

Ministry backs plan for new town

THE DEPARTMENT of Trade and Industry has taken tbe unusual step of intervening in a pnhlic planning inquiry hy openly backing a proposal hy Consortium Developments, a group of 10 construction companies, to build a country town on a rural site in north-east Hampshire.

This was disclosed yesterday by Mr Michael Fitzgerald, advocate, appearing for tha consortium, when the inquiry opened in Fleet, Hampshire.

The revelation comes at the height of a controversy over the alleged over development of the south-east of England, where there is considerable pressure to build new housing but also considerable local opposition to such developments.

"The DTI has submitted a paper in support of this proposal," he said. "This is the first time the department has ever supported an individual proposal for a housing development."

The DTI's submission appears to go considerably further than guidance over developments which has been given hy Mr Nicholas Ridley, the Environment Secretary, in his planning circulars to local authorities.

It urges that the provision of land to attract industry and investment in areas snch as Hampshire and Berkshire must be given priority and that provision must be made for new housing for the necessary labour force.

Consortium Developments is proposing to build 4,800 houses plus infrastructure on 700 acres of former gravel pits at the Foxley Wood development, Bramshill. The public inquiry is one of the most significant of recent years and is expected to last five weeks and cost about £1.5m.

The department's submission was made by Mr R.D. Dennis, deputy director of its south-east region. It is understood that it was personally approved by Lord Young, the Secretary of State for Trade and Industry.

The tone of the document will annoy conservationists who want to curtail the amount of huilding in the region. It will also anger the group of Conservative MPs from the south-east and the West Country who are waging a campaign against Mr Ridley over his policies for the region.

It recognises that a balance has to be struck between the demand for development and the desire for an attractive environment.

However, it stresses that past policies of discouraging development in relatively prosperous locations in the region have not met with success.

"It would therefore be a mistake to interfere with market forces by putting protective barriers around the south-east and other desirable areas in the hope that this would open up opportunities elsewhere," it states.

The DTI believes that husinesses are located in the south-east because it is seen as the most efficient location.

"Subject to the normal requirements of the planning system, the department wishes to see these businesses given the opportunity to expand et the location of their choice," it continues.

"The DTI is concerned that in certain areas of the south-east, economic growth may be unnecessarily constrained by restrictions on the provision of housing land."

It criticises the north-east Hampshire structure plan for almost halving the number of houses to be built in the 1990s.

There was strong opposition at the inquiry yesterday from local authorities, conservetionist groups and organisations representing local residents.

Beecham faces $16m bill in damages case

By Terry Dodsworth

BEECHAM, the UK pharmaceuticals group, is considering further legal action in a US damages case after a $16m (£8.7m) award against the company yesterday in a New York Federal Court.

The case relates to an action against Jovan, the group's Chicago-based cosmetics manufacturing subsidiary, by Oleg Cassini, a design company.

Cassani filed a complaint in 1984 claiming that Jovan had failed to use its best efforts to promote its fragrances and cosmetics products under the terms of a 1978 agreement.

Since the court action began, Cassini's original claims for $83m worth of compensatory and punitive damages have been substantially rednced. Beecham described yesterday's jury verdict as "misconceived", and said there were substantial prejudicial errors committed hy the plaintiff's counsel in the course of the trial.

Neither the jury verdict nor the fine will become final until they have been considered by the judge. At that point, Beecham will decide on what further action to take.

The UK company acquired Jovan when expanding in the US cosmetics industry in 1979, one year after the deal was signed with Cassini. It said yesterday thet it had a general provisions account covering issues such as litigation, and that the funds available were sufficient to cover the US action.

Auditor disagreement emerges over treatment of crash losses

BY RICHARD WATERS

DIFFERING accounting treatments of losses caused by last October's stock market crash have emerged, exposing disagreement among auditors about how these should appear in companies' accounts.

The immediate cause of the dispute is the decision hy the auditors of Farnell Electronics, a manufacturer of electronic equipment, not to qualify the company's accounts after it took a £1.45m loss on equities as an extraordinary item.

Extraordinary items appear below the line in profit and loss accounts. This means they do not affect a company's earnings per share or its calculation of profits for purposes such as deciding directors' profit-related bonuses.

According to Farnell its auditor, Sagar Croudsen of Leeds, took its decision "following consultations with the Institute of Chartered Accountants."

Sagar partner Mr Nicholas Naylor said yesterday that the Institute had offered advice, but had left it to the auditors to take their own decision -a statement confirmed hy Institute technical director Mr Geoff Mitchell.

"We explained the ground rules to the auditors," said Mr Mitchell. "We don't give any rulings about any particnlar accounting treatment." He said that in general he did not agree with the type of accounting treatment used by Farnell, but refused to comment on the specific case.

Farnell said five weeks ago when it announced its results for 1987 that it expected a qualification from its auditors.

Tyndall Holdings, an investment company which took a £4.3m loss below tha line, enabling it to report a pre-tax profit rather than loss for 1987, had its accounts qualified by its auditors, Deloitte Haskins & Sells.

On the other hand Coloroll, the home furnishings group which is due to report its year-end figures next week, says it expects no qualification from its auditors, Binder Hamlyn, over a provision of £4.7m against losses from the crash.

A decision by Midland Bank to treat a provision against developing country loans as extraordinary rather than exceptional was reversed last year after an investigation hy the Institute of Chartered Accountants in England and Wales.

Democrats officially open bid for top job

BY TOM LYNCH

THE CONTEST for the leadership of the Social and Liberal Democrats began officially yesterday, with Mr Paddy Ashdown, MP for Yeovil, launching his campaign and Mr Alan Beith, MP for Berwick, announcing his candidacy.

The two are likely to be the only candidates when nominations close on June 24. The only other potential runner is Mr Robert Maclennan, the joint interim leader of the party, who is not likely to stand and would have little chance of winning.

Concern yesterday centred on the possibility of a bitter, personal battle between Mr Asbdown and Mr Beitb.

Mr David Steel, joint interim leader, warned supporters of both contenders not to engage in "dirty tricks." He hoped there would be no personal attacks

Mr Beith predicted that personalities would play a large part in the campaign because there were no policy differences.

Mr Ashdown, while acknowledging that personalities would play a part, said the election would be "primarily about the style, direction and agenda that the new party must address."

Launching his campaign in his constituency, be emphasised his vision of the SLD as a left-of-centre party set to push Labour aside to challenge the Conservatives for power.

The party had to recapture its "natural territory" of choice and individual liberty from Mrs Thatcher, who had "hijacked it, narrowed and corrupted into choice only for tbe privileged and then sold it over our beads to the electorate."

Mr Beith, meanwhile, also said the party must abandon the strategy of aiming to make deals with other parties in a "hung" parliament, but appeared to differ from Mr Ashdown's emphasis on the need to push Labour aside before tackling the Tories.

BR to name £6bn land developer

By William Cochrane

THE CHOSEN developer for a £6bn, 125-acre stretch of land behind Kings Cross and St Pancras railway stations in north London is to be revealed by the British Rail Property Board this afternoon.

Two development groups remain in contention on a list slimmed down from four last January.

The project has been described as the biggest inner-city regeneration scheme in Europe.

The London Regeneration Consortium, comprising developers Rosehaugh and Stanhope – and a minor landowner in the National Freight Consortium – has advanced two separate sets of design options produced by two international firms of architects, Skidmore Owings & Merrill, and Foster Associates.

British Rail, whose main Board will hear the decision this morning, owns 94 per cent of the site. Minority owners also include British Waterways Board, British Gas and Camden Council.

Speyhawk, already chosen as developer for British Rail's Cannon Street Station site in the City of London, has joined with the construction group, Sir Robert McAlpine, to advance ideas submitted by its three firms of architects, BDP, Chapman Taylor and YRM.

Rosehaugh Stanhope Developments, the joint venture between tha two major componenta of LRC, is developing the largest complex of offices in Europe at Liverpool Street Station, also in the City of London.

British Midland seeks more European routes

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH MIDLAND Airways – part of the privately-owned Airlines of Britain Holdings Group, which also includes Loganair, London City Airways and Manx Airlines – is planning to expand its routes and re-equip its fleet.

It has applied to the Civil Aviation Anthority for rights to fly from Heathrow to 11 European destinations: Brussels, Dublin, Düsseldorf, Frankfurt, Geneva, Milan, Málaga, Palma, Paris, Rome and Zurich.

Mr Michael Bishop, chairman, announced the plan yesterday, when he also disclosed that in 1987 the group earned a pre-tax profit of £5m against £4.7m in 1986, on turnover up from £115.8m to £138.1m.

He said the group was leasing two Boeing 737-400 156-seater twin-jets from Guinness Peat Aviation, to add to the six 737-300 136-seaters now being delivered, and holding discussions with Boeing on a further four 737s.

US audit office buys advanced British computer software

BY ALAN CANE

THE US General Accounting Office, the American equivalent of the British Treasury, is using advanced information technology developed in the UK to track the performance of its divisions and analyse long-term trends in Federal expenditure.

The GAO initiative is a significant breakthrough for the four-year-old UK firm, Metapraxis of Kingston-on-Thames on London's outskirts, which developed the specialised analytical and presentation computer software for the GAO system.

Metapraxis is a world leader in executiva information systems (EIS). This is computer software which extracts critical data from the masses of financial and non-financial data which every company holds in its computer files, and displays it as graphs and charts which can easily be assimilated by senior managers.

It is a specialist in building executive "war rooms" where corporate data displayed on wall screens is used as the basis for strategic discussions.

Recent surveys have indicated that a majority of companies believe the development of an effective EIS to be a technological priority.

Metapraxis' only major competitors are the US companies Pilot, whose software is marketed in the UK by Thorn EMI, and Comshare, a leading computing services organisation. The two US companies offer systems running on mainframe compnters while Metapraxis' "Resolve" software runs on a high-powered personal computer.

Metapraxis is launching its US subsidiary today. In addition to the GAO, it has sold Resolve in the US to AT&T, Lever Brothers and Midland Bank International. In the UK, its client list includes British Telecom, Dee Corporation, Glaxo Holdings.

Despite its success in selling Resolve at boma and ahroad, Metapraxis has so far failed to convince the British Government of the value of EIS. Mr Robert Bittlestone, managing director of Metapraxis, said yesterday there was a significant difference between the US and UK Government's attitude to using information technology for analytical purposes.

The London Business School has recently collaborated with Metapraxis to develop an analysis tool, using Resolve, to monitor the UK economy and present the results in a form usable by Cabinet ministers and civil servants.

Corporate finance team leaves Chemical

BY STEPHEN FIDLER, EUROMARKETS CORRESPONDENT

A FIVE-strong team of corporate finance specialists is leaving Chemical Bank's London operation to set up an independent company.

The departing team is led by the group's head, Mr Andrew Jackson.

The Chemical group, established late last year, rose to prominence for its arrangement of a key part of the £715m management buy-out of MFI, the furniture group, the largest such operation in Europe.

It is now handling the proposed buy-out of Reed International's European paper and packaging operations.

The departure of the team is said to be amicable and is not likely to affect any current transactions.

Chemical said It would replace Mr Jackson with Mr William J. Clark, 38, who until last year was regional manager of the bank's European, Middle East and African operations. He was late last year appointed as head of origination for UK and Ireland.

Mr Jackson, 39, who became head of UK corporate finance last August, has been with the bank for 16 years.

He said it was too early to say exactly what form his new venture would take, but said its activities would be complementary to rather than competitive with Chemical's current operations.

The expectation was that both firms would expect to do business together in the future, he said.

Reshaping the rules of tyre development

Roy Garner in Tokyo explains how Bridgestone has gained from its efforts to avoid traditional design compromises

THE SEARCH for the perfect antomobile tyre has long been stimied hy what is known in the trade as the "ineompatibility dilemma", namely the prohlem that an improvement mede to one design feature will generally have a detrimental effeet on another.

Now engineers at Bridgestone Corporation in Japan claim to have gone some way towards defying this logic. The focus of this heliaf is the company's reeently introdneed RCOT (Rolling Contour Optimisation Theory) radial passenger tyre.

The patented design offers considerahle improvements in performance, says Bridgestone, and 60 per cent of the eompany's domestie market tyre sales in 1987 featured the new technology.

Bridgestone has now also introduced an adaptation of the RCOT design concept for use on truck and bus tyres. This it calls TCOT (Tension Control Optimisation Theory).

in practical terms the incompatibility problem involves the factors of tyre wear, belt durability and "rolling resistance". The introduction of a low heat-generation tread ruhber, designed to cut rolling resistance is accompanied, for example, by a lowered tyre wear resistance and a related decline in tyre life.

Similarly, the use of more durable tread rubbers would prodnce greater beat generation, leading to decreased belt durability and higher rolling resistance.

To break out of this impasse, Bridgestone engineers challenged the eonventional wisdom concerning the "natural equilibrium shape" of a car tyre. This holds

To break the impasse it was necessary to challenge conventional engineering wisdom

that maximum durahility is achieved by ensuring that when a tyre is inflated it demonstrates a uniform cord tension and uniform change in shape.

For the RCOT tyre, Bridgestone experimented instead with an "unnatural equilihrium shape" based upon the optimum contour of a tyre when it is ectually in motion. To establish the characteristics of this contour, the company's engineers used ultra-large computer simulations produced by a specially-developed tyre analysis programme, known as the finite element method (FEM).

This programme has also enabled Bridgestone researchers to study the infinitely complex forces of stress which develop as a tyre is inflated and rolled.

in cross-section, the new RCOT tyre has a slightly flattened appearance even when stationary. As the vehicle accelerates there is little change in this basic contour, remaining virtually the same even at high speed.

Nobuya Yoshimura, director of tyre development at Bridgestone, says that the RCOT design offers 5 to 7 per cent less rolling resistance at speeds of between 50 to 100 kph. This gives a 1 per cent increase in fuel efficiency, plus a reduction in tyre noise and significant improvements in wet and dry braking speeds.

Evidence of the success of the concept is provided by Porsche, the West German performance car producer which has chosen RCOT RE71 tyres for use on its top-of-the-line 200mph 959 model.

Yoshimura etresses, however, that the real challenge in application of the design came in the truck and bus market. Whereas in the passenger car market buyers tend to make choices merely on a tyre's appearance, commercial users present stringent performance requirements.

"In the passenger market, it is like selling perfume to my wife," says Yoshimura. "But for trucks it is the tyre itself that makes the difference – buyers demand high reliability concerning tyre specifications."

Direct application of the RCOT concept was found to be impractical in the commercial vehicle sector, because of the very high inflation pressnres required for truek and bus tyres. The chief problem in truck tyres was also recognised to be strain at the edges of the reinforcing belts.

The TCOT design therefore features an optimum unnatural equilibrium shape formed around a structure which controls tension in the cords and carcass ply, while the basic tyre construction method and materials remain nnchanged.

Bridgestone claims a decrease in rolling resistance of 3 to 5 per cent in the TCOT tyre, greater durability and an improved resistance to irregular wear.

Both RCOT and TCOT designs mark a shift in the historical approach to tyre design – a move away from the past concentration on improvements in materials and a step towards a preoccupation with tyre shape.

Improvements in materials do, however, still play an important role. Bridgestone has seen particular success with what it calls its SBR compound, developed using a visco-elasticity control techniqne, wherehy the number of monomers in a polymer can be controlled and regulated.

By introducing SBR to tread rubber compounds, reductions of up to 30 per cent in rolling resistance have been claimed. Yoshimura also points to the major contribution that supercomputers now make in tyre research.

"Before supercomputers we already had softwares for tyre analysis, but the RE71 tyre, for example, could not have been developed without the supercompnter. FEM simulations could have taken 30-50 hours with conventional computers, but now with supercomputers it takes only a few minutes."

Sueh research efforts come with a hefty price tag, however. In Bridgestone's case, research and davalopment expenses totalled some Y31bn (£133m) in 1987.

Pilots given less cause for alarm

BY CLIVE COOKSON

BEING IN charge of an aircraft in an emergency is bound to be a terrifying experience. But research hy UK psychologists shows that it is made even worse by the barrage of alarm sounds that assault the pilot and crew when something goes seriously wrong with a modern aircraft.

The work has led to a new auditory warning system, which has been installed in North Sea helicopters and could soon be adopted by international airlines.

The UK Civil Aviation Authority commissioned the Medical Research Council's Applied Psychology Unit in Cambridge to investigate aircraft warnings, in response to eomplaints from pilots that the sounds were confusing and too loud.

Roy Patterson, who is in charge of the project, says the pilots were right to be concerned. "Before this no one had really thought ahout warnings; they just added a new warning noise when a new problem arose." One aircraft uses eleven separate warning sounds – creating a real danger that the crew will wrongly identify the malfunction.

The MRC psychologists also found that the warnings were far too loud, startling the crew and impeding communieations to sneh an extent that cancelling the alarm took priority over trying to correct the malfunction. And the warnings were incompatible, so that when two alarms sounded at the same time the resulting noise did not convey any clear message.

The researchers concluded that aircraft should not have more than six immediate action warning sounds, that they should start at quite a low level and become louder, and that each one should have a distinct melody and rhythm. They went on to construct a new family of warning sounds, based on these principles.

Their work is being exploited commercially through the British Technology Group and has been licensed to the UK electronics company Racal for use in its Antomatic Voice Alert Device (AVAD).

Peter Wheeler of Racal Acoustics says the AVAD, which combines digital voice and tone warnings, has been fitted in about 100 helieopters operating in the North Sea oilfields and with the Royal Air Force. Its most important function is to alert the pilot when the helicopter is flying too low.

But Patterson is disappointed that the Civil Aviation Authority has not yet persuaded its counterparts in other countries to introdnce an international standard for airliner warning sounds.

WORTH WATCHING

Edited by Geoffrey Charlish

Japan allocates £86m to superconductivity

THE SCIENCE and Technology Agency of the Japanese Government has announced an £86m snpercondnetivity research project extending over five years.

The first £8.6m has been allocated for the development of equipment needed to test and examine materials with snperconducting properties. This apparatns will include an electron microscope with sufficient power to allow oxygen atoms to be seen.

Mikio Hattori, a director of the agency, believes that understanding the behaviour of oxygen in superconducting materials is important to their further development.

Superconductors, if they can be made to work at or near ordinary air temperatures, would radically alter the electrical engineering industry since they allow currents to be condncted without the usual energy through resistance.

In the last year or two, materials have been formulated that will superconduct at liquid nitrogen rather than much lower, and more expensive to maintain, liquid helium temperatures.

Automatic milking till the cows come home

VICON, THE Dutch agricultural equipment company, is developing a system that will milk a herd of 80 cows automatically.

The machinery is expected to cost £65,000 to £75,000 but the company claims the system prodnces 15 to 20 per cent more milk per cow with virtually no attendant labour. It is undergoing tests at Vicon'e headquarters at Nieuw Vennep, and commercial introduction is expected in 1990.

The idea is that each cow chooses its own pattern of visits to the milking cubicle, where it will also be fed aceording to its known requirements.

Four or five visits a day are likely as opposed to the traditional twice-a-day milking, giving a closer match to natural calf suckling rhythms. The company says research shows that the cows will go for milking of their own accord.

Each cow has an electronic tag which enables the computer to identify it as soon as it enters any cubicle. A special robot arm with ultrasonic sensors for positioning can draw on the computer memory of the cow'e specific udder shape. Then the robot arm can proparly apply tha flexible teat cup. No human assistance is needed.

Dick d'Hooft, Vicon project manager, emphasises that the new system does not aim at greater quantities of milk, but simply to prodnce it more profitably with fewer cows. He says that to milk even three times a day by traditional methods is impractical for hard-pressed dairy farmers.

French pull towards low-cost transport

SOULE, a French company of Bagneres-de-Bigorre in the Pyrenees, has developed an automatic cable-driven railway for surface transportation at such places as exhibition sites, theme parks, shopping malls and airports.

Each car hold 12 people and reaches speeds of 12.5 mph. At stations, a slipping elntch rednces the speed to 0.7 mph and the car is taken through the station on a belt drive at the lower speed.

Since the average walking speed is two to three mph, this allows people to get on and off easily and safely. A car comes along every 20 seconds.

Soule claims tha system, called SK, runs at a lower cost than almost any other mode of transport, and in a city centre would be "just as fast as most other travel systems."

SK has a capacity of 3,000 people an hour in each direction, and systems have been installed at exhibition sites in Paris and Vancouver. Soule also has an SK order for a similar site at Yokohama in Japan.

Electricity meter takes flexible control

POLYMETERS Response International (PRI) of Winchester in the UK has launched an electricity meter which offers power supply companies notahle flexihility in terms of meter reading and load control.

Called Calmu 3, and based on electronics rather than the familiar rotating disc, the unit has been approved by the UK Department of Energy.

PRI claims Calmu 3 can offer the complex three phase metering needed in industrial premises for half the cost of conventional systems. About 600 units have been supplied to UK area electricity boards.

Calmn 3 models for domestic premises are under consideration, but at the moment the cost for such a simple, single phase unit might be twice that of a conventional meter.

There are three possible ways to read the new meters. The illuminated display can be noted by a meter reader in the usual way, a portable recording device can be used to extract the readings, or the unit can be interrogated over a phone line, from which the readings will be fed straight into the supply company'e computer.

In the reverse direction, the meter can be given instructions by signals sent over the mains cables or by means of broadcast signals from national radio transmitters.

For example, tariffs can be re-set. Or, by agreement with the consumer, supplies to some devices can be cut off at peak demand times in exchange for a lower tariff. This might allow the supply company to reduce peak demand and avoid bringing in extra, more costly generation equipment.

Tesco fuels the use of electronic fund transfer

TESCO, the major UK supermarket group, is offering Eftpos facilities at its chain of 80 filling atations. Holders of Midland Bank Autocheque cards can use the system, which recently went "live" at Hatfield, Hertfordshire and will be extended to the other stations by the end of July.

Eftpos, or electronic funds transfer at point of sale, allows shoppers to present a card, key in a personal identification number, and have their bank accounts directly debited by the value of goods purchased.

CONTACTS: Vicon: The Netherlands, 2535 62344 or in the UK on 0473 270027. Soule: France, 62 960731 or in the UK on 0688 62296. PRI Group: UK, 0962 840048. Tesco: UK, 0992 32222.

"BAA BAA"

[Fig 1.]

In 1987, the former British Airports Authority was privatised and is now plain BAA plc (the initials don't stand for anything): a fact which some people seem strangely slow to grasp. To help them we invited celebrated lateral thinker Dr Edward de Bono to devise a foolproof way of remembering our new name and other salient facts. For his off-beat but distinctly original suggestions now read on…

'Baaaaaaa!' said Edward de Bono down the line from Toronto.

'Baaaaaaa.' No doubt about it. The man was definitely bleating.

'Doctor de Bono? Is that you? Perhaps there's a sheep on the line.'

'Softly or harshly, it's the same,' he muttered, 'Baaa. Noise a sheep makes.' And he began to hum "Baa Baa Black Sheep."

Lateral thinking? Or was it creativity crossing the invisible boundary into lunacy?

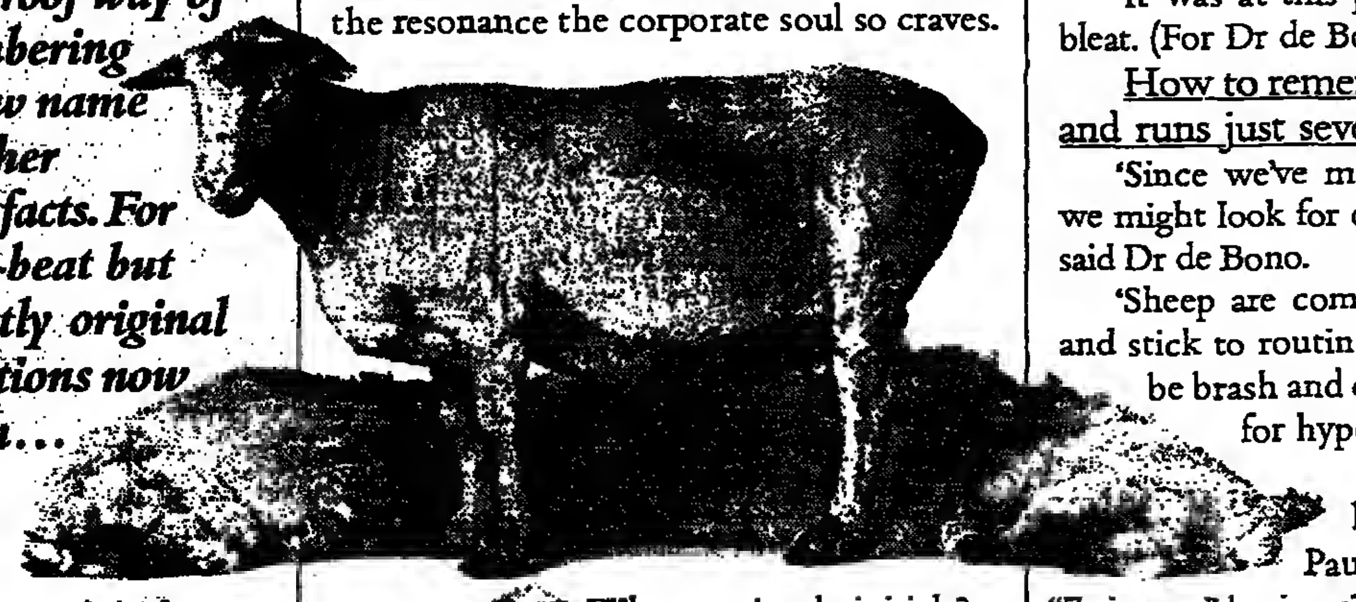
'No I'm not going mad,' he said.

'It's quite simple. What I'm trying to do is get people to remember BAA as a noise rather than a set of initials.'

<u>How to remember that BAA is no longer the British Airports Authority but just plain BAA.</u>

We'd changed our name because, as a newly privatised company, we were clearly no longer an 'Authority.'

What else could our initials stand for? Alternatives like British Associated Airports and British Amalgamated Airports lacked the resonance the corporate soul so craves.



[Fig 4.]
Taxes? Perish the thought. No-one gets clipped at BAA's airports.

Why not simply initials? After all, Harry S. Truman stood for President with a middle initial that didn't stand for anything. It certainly didn't stand in his way.

We'd explained all this to Dr de Bono. 'Your problem,' he told us, 'is one of unthink.

'That's tough. I spend my time trying to find ways to think better. Unthink is a big problem. People won't do it.

'You can't just block a line of perception.

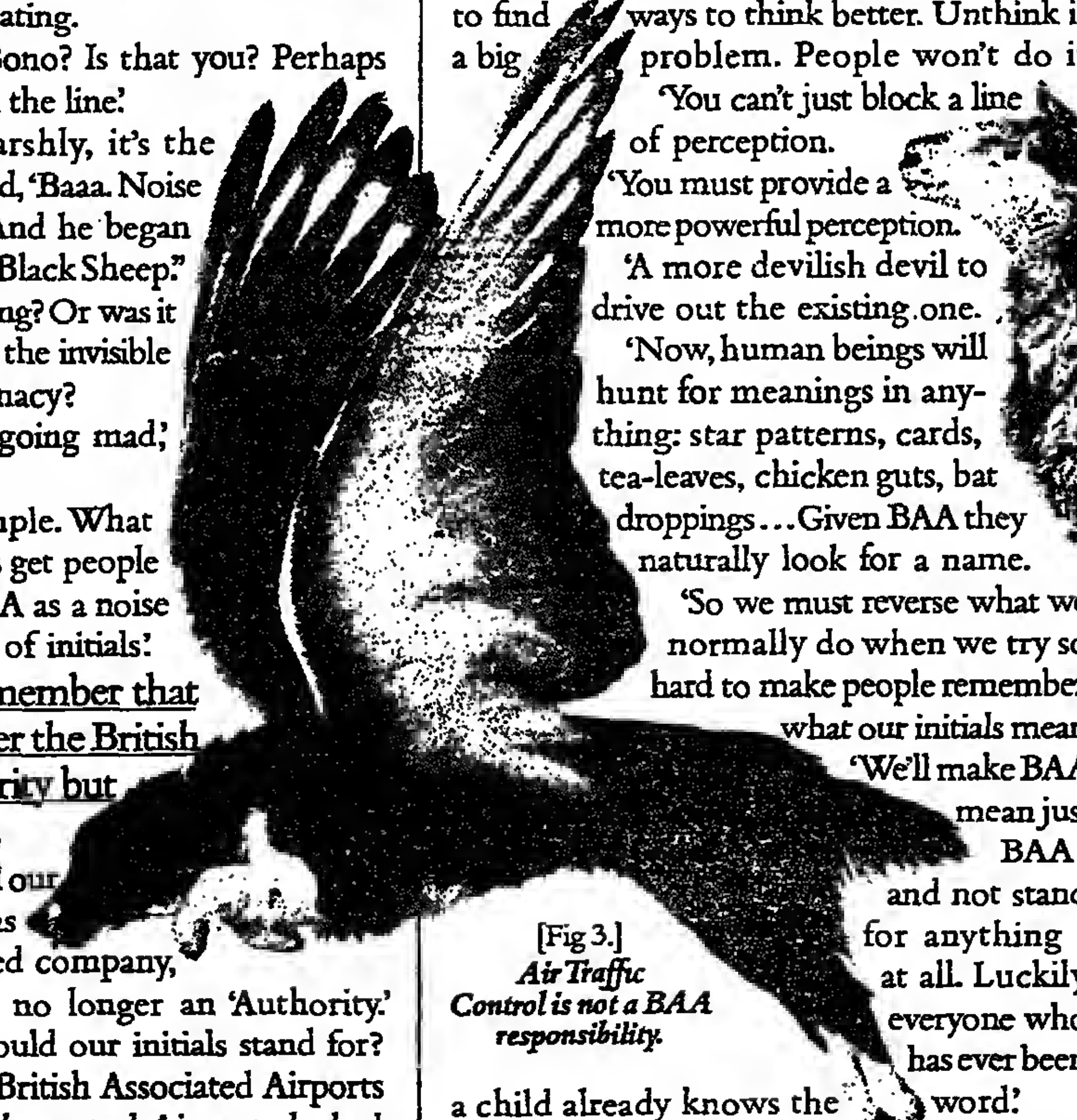
'You must provide a more powerful perception.

'A more devilish devil to drive out the existing one.

'Now, human beings will hunt for meanings in anything: star patterns, cards, tea-leaves, chicken guts, bat droppings… Given BAA they naturally look for a name.

'So we must reverse what we normally do when we try so hard to make people remember what our initials mean.

'We'll make BAA mean just BAA and not stand for anything at all. Luckily, everyone who has ever been a child already knows the word.'



[Fig 3.]
Air Traffic Control is not a BAA responsibility.

It was at this point that he began to bleat. (For Dr de Bono's solution, see Fig 1.)

<u>How to remember that BAA owns and runs just seven airports.</u>

'Since we've made BAA into a sheep, we might look for other ovine mnemonics,' said Dr de Bono.

'Sheep are comfortable, non-aggressive and stick to routines. Airports should not be brash and demanding and puzzles for hyper-intellects.'

It was a day later and he'd just flown into São Paulo, Brazil. 'What's this "7 airports" business?' he asked. 'Is this point really worth making?'

BAA, we explained, is tired of being blamed when things go wrong at airports it has nothing to do with.

On the other hand, it's proud of the fact that Heathrow and Gatwick are the world's top two international airports.

'Now that's magnificent,' said Dr de Bono. 'Enter BAA's magnificent seven.'

Silence at our end.

'They're a bit hairy and macho,' he added, 'so we'll mount them all on our comfortable sheep.' (There they are in Fig 2.)

<u>How to remember that BAA is not responsible for air traffic control.</u>

'I can appreciate why you want to publicise that air traffic control isn't your bag,' said Dr de Bono.

'My flight out of São Paulo was delayed and I nearly missed my connection to Grenada. But it wasn't the airport's fault.'

Over the phone came a noise like a crow clearing its throat.

'Caaaaaaaa,' he said. 'C.A.A. It's the Civil Aviation Authority who are responsible for air traffic control. Now let's see…

'Sheepdogs control sheep. So let's whistle up, say, a cross between a Welsh gryphon and a Welsh collie and sit it on the control tower.'

(Sadly, our photographic budget did not permit us to realise Dr de Bono's vision in all its glory. You will have to imagine the control tower. See Fig 3.)

<u>How to remember that BAA levies no taxes on passengers at its airports and has never cost the taxpayer a penny.</u>

'Say "airport tax,"' said Dr de Bono, 'and the word "fleece" leaps irresistibly to mind.

[Fig 2.]
BAA's magnificent seven includes the world's two busiest international airports.

'In my experience a great deal of clipping goes on at airports.

'I should know. I use about 60 airports a year. 16 on this trip alone. They're always inventing baffling new taxes.

'In Australia (I've been there twice this year) they take 25 dollars when you leave the country. 'In Hong Kong they take HK$100 as you check in.

'Take a picture of a clipped sheep and put a caption saying that there's no clipping at BAA airports.' (We refer you to Fig 4.)

Our last call caught Edward de Bono as he was preparing to leave Grenada.

'We've taken your advice,' we said. 'Our art director has spent three days locked in a studio with three sheep, seven cowboys, a Welsh collie and a pigeon.

'Are you sure it's the best way to help people remember?'

'No,' said Dr de Bono, 'but it's one they'll never forget.'

B·A·A

The world's leading international airport group.

Heathrow · Gatwick · Stansted · Glasgow · Edinburgh · Prestwick · Aberdeen

ON MONDAY night a group of young fashion students will see their first commercially produced collections trip along the catwalk of a fashion show at the 1988 Courtelle Design Awards in London.

For the students the awards offer a rare opportunity to work with the spinners, manufacturers, retailers and designers who form the fashion industry. While for Courtaulds, the giant textiles and chemicals group which makes Courtelle, the awards are the linchpin of its man-made fibres marketing strategy for the UK.

The Courtelle Design Awards were introduced in 1979 as a response to a research exercise conducted by Courtaulds to test attitudes towards Courtelle, its market leading acrylic fibre.

The result of the research was anything but encouraging. Man-made fibres – which had thrived as modern miracles in the 1950s and 1960s – had fallen from favour by the late 1970s. Courtelle was dismissed as a dull, dowdy relic of the past.

Moreover, these consumer attitudes towards Courtelle were echoed within the fashion industry. Manufacturers and retailers had, like consumers, long since stopped seeing Courtelle as a young, fashionable fibre.

Since the 1970s the international fibres market has become increasingly competitive. The only way for Western European producers like Courtaulds to survive was to withdraw from commodity markets and to concentrate on specialist, value-added products.

Courtaulds, which has beaten a retreat from nylon and halved its viscose production, decided to continue its investment in Courtelle because of its potential as a value-added fashion product. The group realised that for this investment to be worthwhile it had to change perceptions of the fibre.

Courtaulds decided to introduce an awards scheme for Courtelle's commercial customers to encourage them to use the fibre in a younger, more innovative way.

The awards were a modest success but Courtaulds realised that *its customers were still* hidebound by stereotypes of the fibre. "We needed to work with people who had no preconceived notions of how to use Courtelle," says Dee Powers, marketing manager for Courtelle. "And we soon decided that students would be much more imaginative than manufacturers."

In 1981 the first student awards were launched. The original concept – whereby fashion retailers give a design brief to the students and then sell their designs in their autumn ranges – is still used today.

Design awards

Polishing up an image

Alice Rawsthorn on the linchpin of Courtaulds' acrylic fibres marketing strategy in the UK

ANNUAL SALES of £250m make Courtelle the leading acrylic fibre in Europe and the biggest single product within Courtaulds. Yet in recent months the acrylic market has become increasingly competitive.

One reason is the decline in demand from the Western European textile industry because of the change in fashion away from knitwear towards more tailored clothing. Another is the slump in sales of hand knitting yarn.

Western European producers like Courtaulds have also suffered from strengthening currencies. This has made it much more difficult to compete in *markets outside Europe. It has* also depressed demand for European fibres because of the increase in imports of fibres, yarn and knitwear from low cost producers in Turkey and the Far East.

As a result Courtaulds' three acrylic plants are operating below capacity and the profits from Courtelle fell by £25m in its last financial year.

There are two recent developments which could revive demand for Courtelle. First, the recent rise in the wool price may prompt knitwear manufacturers to switch from pure wool to acrylic. Second, the forthcoming merger of Enichem and Montedison, the Italian fibres giants, could result in some rationalisation of their acrylic capacity.

In the meantime Courtaulds is concentrating on cutting costs and on accentuating its marketing programme. The *need for exercises like the* Design Awards – to ensure that Courtelle is perceived as a value added product, thereby reducing its exposure to low cost competition – is greater than ever before.

Rosaline Webb (right) of Lancashire Polytechnic, designed a range of fine knit separates (left) in Courtelle for retailer, Joseph

This year's awards will include collections for giant multiple groups like Marks and Spencer and Storehouse; for fashion chains such as Warehouse and French Connection; and for the smart Joseph shops in London.

The Courtelle team approaches the retailers in August to discuss their requirements for the awards. Each retailer is then paired with a college – the Burton Group with Kingston Polytechnic for example – and the retailers present their briefs to the students early in the autumn term. The retailers then choose which of the student designs they wish to use and the chosen designs are sold in the shops the following autumn.

In 1986 Courtaulds decided to embellish its awards by introducing the Courtelle Fabric Awards in order to demonstrate the design potential of Courtelle in fabric.

In the fabric awards a leading fashion designer – last year Jean-Paul Gaultier of Paris, this year London's John Galliano – is invited to create a special collection in Courtelle. The designer then briefs students from colleges all over the country to devise Courtelle fabrics for the collection.

This year 45 students entered designs for the fabric awards. The 12 finalists then liaised with commercial spinners – like Thomas Burnley, a subsidiary of Coats Vlyella, and Courtaulds own mills – to see their designs made up into commercial lengths. The five winning designs have been used in the Galliano collection, which will be unveiled on the catwalk on Monday and sold in Harrods, the London department store, this autumn.

The most tangible benefit for Courtaulds is that the awards encourage young students, many of whom will later work within the fashion industry, to experiment with Courtelle at an early stage in their careers.

The involvement of designers like Gaultier and Galliano also helps to ensure that the awards receive lots of coverage from the fashion press. Courtaulds has a heap of cuttings from last year's event. All the cuttings link Courtelle with Gaultier, one of the world's most influential designers: something that would be notoriously difficult to achieve in conventional consumer advertising.

Similarly the involvement of spinners, manufacturers and retailers enables Courtelle's commercial customers to see the fibre being used in an imaginative and innovative way by the students.

Yet Courtaulds has a dual objective in ensuring that its commercial customers play a part in the awards. It is the only major European fibres group with extensive interests in textiles. The other acrylic producers – *like Bayer of West Germany* together with Enichem and Montedison of Italy – come from the chemicals industry.

Under Lord Kearton in the 1960s Courtaulds gobbled up dozens of textile and clothing companies. The result was a giant vertically-integrated group in which the Courtelle produced in its fibres plants was spun by the spinning mills and knitted in its knitwear factories.

This structure yielded substantial economies of scale in the buoyant years of the 1960s, but proved disastrous when demand *declined in the 1970s. One of the* chief objectives of Sir Christopher Hogg, when he became chairman in 1979, was to restructure the group. As a result Courtaulds' own knitwear companies, which once absorbed most of the Courtelle produced in the UK, now take just 15 per cent it.

But the history of vertical integration meant that Courtelle has had to make great efforts to convince its new "outside" customers that there was no conflict of interest in its involvement with both fibres and textiles.

The background work of the Courtelle marketing department – in providing design and trend information to spinners, manufacturers and retailers – contributes towards this.

Tha budget for this year's awards – covering the cost of dozens of briefings, the fashion show and advertising – runs to almost £500,000. Is it worth it?

"We think so," says Bill McPherson, chief executive of Courtelle in the UK. "But it is always difficult to judge the value of marketing. You only really find out how good it is when you stop."

Promotional literature

The reluctant converts

Max Findlay finds lawyers doubtful about benefits of brochures

STARRY-EYED lawyers have followed accountants in producing brochures advertising their professional services. Solicitors have had them since at least 1979, but have only recently got into the full swing of glossy, professional information packs detailing their range of expertise. Barristers waited until late last year before agreeing on their use and until March this year before issuing guidelines as to their content. But how much good legal brochures actually achieve is more questionable.

Jonathan Heathcote, company secretary and legal adviser at Texaco, is distinctly pessimistic. "I don't ever use them. They are of no use whatsoever. The important thing is who's handling the work." That view is echoed by Tim Dugan, Tate and Lyle's group lawyer, who concludes: "It's a matter of horses for courses and you don't get the right people out of a brochure." When choosing solicitors, "it's basically personal contact and talking to other in-house lawyers."

One positive note came from a leading building company's legal adviser who thought that brochures "are helpful if they give the names of experts in a particular field or where a firm's apparently got an expertise in an innovative area of law." But the best most solicitors firms seemingly hope for is encapsulated by Philip Bradley, a corporate finance director with Robert Fleming. "If a brochure lands on my desk, I just flip through it and throw it over my shoulder."

Encouraged

So why then should lawyers go to the trouble and expense of having such literature? Clearly they have been encouraged by the encomiums of accountants who have been using brochures *for far longer they they have.* Andrew Darnhill, from Arthur Young, comments: "It's worth doing, there's no question about that. Although the results are not immediate, it keeps reminding people that you're still there." If the firm is running courses and seminars as well, then the audience can be informed about the other activities as well. "Brochures are most useful as part of an overall programme" of information services, he adds.

But the lawyers are driven by fear as much as anything else. Increasingly, accountants are taking over the provision of certain basic company and other legal advice to many small and even medium sized businesses. An executive from one such firm articulated a general attitude: "We know our accountant. We've dealt with him for years and we've got used to him. We don't know any solicitor that well."

Large as well as small accountancy firms have moved into this market. Richard Norton of Touche Ross explains: "We're certainly doing company formation services. We do company secretarial services which years ago may have been deemed to be the domain of the solicitor. Yes, we are competing with them but I'm not sure that we're really taking a lot of their basic work away."

It is a trend which has been picked up elsewhere. One leading business publisher commented: "Small businesses are frightened of solicitors and trust their accountants." After all, "the accountants are the people who save their clients money. Solicitors you regard as people who just cost you money. If the accountants can provide you with legal advice as well, then they're wonderful people."

Accountants and others have not been slow to promote their talents. Petre Sefton, managing director of Croner Publications, comments: "Several of the big eight firms produce glossy publications which provide basic advice on business issues going wider than straight accountancy. Banks, too, are going in this direction. What accountants are doing is setting out their stall by showing people the range of services they offer."

There is a general unease among the legal fraternity that this year will see an opening up of competition following the imminent report of the Marre Committee on the future of the *legal profession. There is wide* conjecture that one result of the report will be direct public access to barristers rather than through solicitors as at present. That could mean both barristers and law firms competing for the same clients. In such a contest publicity will be a key element.

At the same time there is a general drive by law firms towards raising public consciousness of their existence. This is largely born of a worry that lawyers will be left behind other occupations if they are not seen to employ the same means of communications as often and as prominently as the others do. Against a background of firms being subjected to beauty parades and a perceived shortage of good trainee lawyers being headhunted by other commercial enterprises, that worry can be heightened to a pitch where image is all important.

It is, for example, well accepted that much large scale recruitment advertising by solicitors in national publications is undertaken equally for promotional purposes as for actually obtaining suitbly qualified personnel.

Law practices, however, do see their brochures as a way of articulating a global overview of what they can do.

Valuable

Peter Farren from Linklaters & Paines comments: "We have lots of clients who come to us for one service and don't realise that we offer others. They run over the page of the brochure and say, 'I didn't realise you did banking as well', or whatever." Additionally, the brochures are "immensely valuable to our foreign offices, such as in Tokyo for example, where our name is not as immediately well known."

What many solicitors and others would like to see in any chamber's brochure would be an indication of cases won or lost by the individual barristers. However attractive this may be to the outsider there is little chance of it happening, not least because so may cases are obvious winners or losers from the start. Nor would practitioners have unlimited freedom just to list the important actions in which they had been involved. Bar chairman, Robert Johnson, explains: "The fact that a barrister has acted for a client is a matter of confidentiality and it would be necessary to have the client's prior consent. Moreover, the fact that you've appeared in a case is a very poor test of your speciality or ability."

So that is likely to be that, despite the obvious attractions to law firms and the public of such an easy ready-reckoner. No-one knows just how far down the public relations path lawyers will go but, as one practitioner commented: "It's a one way street." With the current market pressures there will have to be overwhelming evidence that brochures are not having a tangible effect before law firms and practitioners pull out of the race.

Company Notices

Anglo American Corporation of South Africa Limited

(Incorporated in the Republic of South Africa)
Registration No. 01 05309 06

Preferred stock dividend

On Wednesday, June 1 1988, the directors of the Corporation declared dividend No. 118 on the six per cent cumulative preferred stock, equivalent to three per cent, for the six months ending June 30 1988, as follows:

Last day to register for dividend (and for changes of address or dividend instructions)	Friday, June 17
Registers closed from	Saturday, June 18
to (inclusive)	Saturday, July 2
Ex-dividend on Johannesburg and London stock exchanges	Monday, June 20
Currency conversion date for sterling payments to shareholders paid from London	Monday, June 20
Dividend warrants posted	Monday, July 25
Payment date of dividend	Monday, August 1
Rate of non-resident shareholders' tax	13.4027 per cent

The full conditions relating to the dividend may be inspected at the Johannesburg and London offices of the Corporation and its transfer secretaries.

By order of the board
C L Maltby
Secretary
Johannesburg
June 2 1988

Head office: 44 Main Street Johannesburg 2001
London office: 40 Holborn Viaduct London EC1P 1AJ

aac

Anglo American Investment Trust Limited

(Incorporated in the Republic of South Africa)
Registration No. 05 08081 06

Preference dividend No. 67

On Wednesday, June 1 1988, the directors of the company declared the half-yearly dividend *on the six per cent cumulative preference shares in respect* of the six months ending June 30 1988, as follows:

Rate	3 per cent
equal to (South African currency)	6 cents per share
Last day to register for dividend (and for changes of address or dividend instructions)	Friday, June 17
Registers closed from	Saturday, June 18
to (inclusive)	Saturday, July 2
Ex-dividend on Johannesburg and London stock exchanges	Monday, June 20
Currency conversion date for sterling payments to shareholders paid from London	Monday, June 20
Dividend warrants posted	Monday, August 8
Payment date of dividend	Monday, August 15
Rate of non-resident shareholders' tax	14.9720 per cent

The full conditions relating to the dividend may be inspected at the Johannesburg and London offices of the Company and its transfer secretaries.

By order of the board
Anglo American Corporation of South Africa Limited
Secretaries
per TS Johnson
Divisional Secretary
Johannesburg
June 2 1988

Head office: 44 Main Street Johannesburg 2001
London office: 40 Holborn Viaduct London EC1P 1AJ

aac

BANQUE INDOSUEZ
US$ 150,000,000 Floating Rate Notes Due 1990

Pursuant to condition 5 (b) of the Notes, Banque Indosuez has elected to redeem all outstanding Notes on July 15, 1988 at their principal amount.

Interests on the Notes will cease to accrue as from July 15, 1988 and interest accrued to the date of redemption will be paid as specified herein. The Notes will be repaid upon surrender together with all unmatured coupons appertaining thereto attached at the offices of the following paying agents:

BANQUE INDOSUEZ LUXEMBOURG
39 Allee Scheffer LUXEMBOURG

NATIONAL BANK OF ABU DHABI
P.O. Box 4
Abu Dhabi
UNITED ARAB EMIRATES

BANQUE INDOSUEZ
52/60 Bishopsgate
GB-LONDON EC2N 4AE

BANQUE INDOSUEZ
Manama Centre
114 Government Road
MANAMA, BAHRAIN

BANQUE INDOSUEZ
Rockefeller Center
1270 Avenue of the Americas
U.S.A. - NEW YORK, NEW YORK 10020

INDOSUEZ OSAKEPANKKI
Keskuskatu
SF-HELSINKI 10

BANQUE INDOSUEZ
96 Boulevard Haussmann
F-75008 PARIS

INDOSUEZ ASIA LIMITED
Alexander House
11 Des Voeux Road
CENTRAL HONG-KONG

INDOSUEZ ASIA (SINGAPORE) LIMITED
Shenton House
3, Shenton Way
SINGAPORE 1

BANQUE GENERALE DU LUXEMBOURG S.A.
Fiscal Agent
May 28, 1988

SARAKREEK PARTICIPATIONS N.V. ESTABLISHED AT CURACAO, NETHERLANDS ANTILLES

Notice is hereby given that an Interim Dividend of US$0.87 in cash plus an Interim Stock Dividend of 1 new share for every 40 shares already held was declared on May 23, 1988 ...

Amro Trust Corporation N.V.
Managing Director

REPUBLIC OF INDONESIA
US$200,000,000
Floating Rate Note due 1992

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the period from 31st May 1988 to 30th November 1988 has been fixed at 8.0625 per cent per annum.

...

SBCI SWISS BANK CORPORATION INVESTMENT BANKING LTD
Reference Agent

Legal Notices

No. 003921 of 1988
IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
MR. JUSTICE HARMAN
IN THE MATTER OF THE THOMAS ROBINSON GROUP PLC
AND IN THE MATTER OF THE COMPANIES ACT 1985

...

Delph Electrical Limited

...

Delph Limited

...

Legal Notices

No. 007075 of 1987
IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT
IN THE MATTER OF DOWA INSURANCE COMPANY (U.K.) LTD
-and-
IN THE MATTER OF THE COMPANIES ACT 1985

...

Legal Notices

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
Re: ELECTRON HOUSE PLC
-and-
Re: THE COMPANIES ACT 1985

...

LINKLATERS & PAINES
Solicitors for the Company.

Barbican Gallery/William Packer

French eroticism

Art or Nature, the large retrospective exhibition of French photography in the 20th century, is the principal visual element in the festival of French culture, "Images de France" now current at the Barbican (until July 17: sponsored by Euro Tunnel).

Art or Nature? We are clearly invited to make our choice, but it will always be a false alternative. The essential artificiality of the medium must see to that, for photography in that sense was always Art. And the camera, blinking at the world through its one mechanical eye, must always find something of nature in its view, though it may only be the work of man himself.

Aestheticism and naturalism would have been a nicer distinction; here it matches the case more closely in the arrangement of the exhibition, with the general categories and periods – Pictorialism, Dada and Surrealism, Documentary and Rapportage – that are set out in the lower gallery. Upstairs, the individual cubicle galleries are given to the work of particular masters through the period, from Atget and Lartigue to Doisenean and Klein, where natural concentration and particular familiarity again leads us away from any broader considerations onto the work itself. And I should say at once that most of the work in the show is marvellous.

Wa begin with the pictorialists of the early years of the century, those photographers, such as Robert Demachy and Constant Puyo, who sought to achieve in their work something not in imitation but equivalent, in mood and sensibility, to effects of painting. So close in spirit to both symbolism and the more intimate aestheticism of the time, their nude and portrait studies have a particular intensity and fascination, fraught with a gentle, unaffected eroticism that one can only begin to feel is very French.

It is a quality that one finds quite as much in the work of the more direct and natural observers. It does not necessarily bear directly on the nature of the subject-matter, but has more to do with an almost palpable sense of the physical immediacy of people, and things, caught on the wing as the moment vanishes. Atget's shopfronts stand enigmatically before us, defined with an almost febrile clarity. Brassai's lovers are caught for ever in the lamplight of the deserted street. Bibi sits beneath her parasol for Lartigue. Lee Miller, so calm and beautiful, outstares Man Ray. Boubat's children battle in the snow of the Luxembourg Gardens. Kertesz looks through the door Chez Mondrian. Ronis stops the lady's legs in blurred midstride onto the pavement. Doiseneau snatches a kiss. All so very different and yet so much the same.

Untitled photograph by Constant Puyo, c 1894-1902

Greenland/Royal Court

Michael Coveney

The Royal Court season of Howard Brenton's "Three Plays for Utopia" has recapitulated the sexual adventurism of *Sore Throats* (1979) and the communal artistic experiment of *Bloody Poetry* (1984). in his new play, Brenton sets out to dramatise how he hopes we shall be living and thinking in 700 years time.

It is a glumly tranquil and anodyne vision that envelops the four characters who fall into the future through the river Thames on General Election night last year. Love and thought are free, property has no value, religion is extinct, AIDS was a false alarm, there was no nuclear holocaust and a plastic item long thought to be a dildo is in fact a bottle of Fairy Liquid.

In a fast, furious and often funny first act, each of the emigrés to Utopia is brought to a pitch of despair. Joan (Jane Lapotaire) is a Labour Party candidate of the Kinnock colour. Lord Ludlow (David Haig) is being esten alive by gambling debts and paranoia. Betty Blaze (Sheila Hancock) is e New Puritan who encounters her daughter playing a topless Crucifixion scene in a street theatre company. And Brian (Larry Lamb) is a seriously drunk failed fantasist from the council flats swaddled in his own soiled sheets.

in each case, Brenton has his eyes firmly fixed on a target. Salvation is the name of the game in his second act, where kindly Greenlanders in soft white robes and yasbmaks have guilt-free orgies under heaving duvets and a jeweller, Jace (Ben Onwukwe), makes glass gewgaws on a little portable lathe worn round his neck like an usherette's ice-cream tray.

Jace befriends Joan, who travels across Poland to meet the Last Reactionary (Ron Cook). This fur-hatted irascible denizen of the hills outside Moscow tells her that all books and films have vanished. Apart from the "dildo," the last copy of the Bible and a cache of Greek tragedies unearthed in Alexandria, all that remains are three paintings by Picasso and a play of Alan Ayckbourn's, *Just Between Ourselves*.

In trying to combine a perspective on what happened to our culture with a vision of life in a futuristic present, Brenton attempts even more, in some ways, than did William Morris in his idealised epoch in *News From Nowhere*. That book, which Brenton has indeed tried, unsuccessfully he has confessed, to dramatise, is mentioned as an example of how to invent a future with practical optimism.

But even Morris did not eliminate sexual maladjustment and violent crime from his orthodox Marxist prescriptions. In Greenland, the locals dig np the costumes of cricketer and whore "from Brian's head" in order to exorcise his fantasies and leave him a happy teetotaller playing Zen football (one goal for both sides). Lord Ludlow, the Lucan figure, is condemned to life for having committed murder. Betty dives under the duvet and rips up the last remainiog Bible. The play ends with Joan both regaining and raising her consciousness in the Thames silt, saved by a teacher boyfriend and bucked up by a glistening souvenir from the future.

Most Utopian fiction in tha tradition of Zamyatin, Huxley and Orwell, is about the present. Brenton has written similarly satirical dystopias himself, notably *The Churchill Play* and *Weapons of Happiness*. What he wants is clearly what he predicts – the collapse of capitalism and what is termed "the stripping of America" late in the 21st century. But he has not really succeeded in dramatising these jejune political hopes. Greenland is a ghastly hippie oasis of soft-spoken artisans where the climate of trinkets and trickery is more redolent of Camdeo Lock than of Kelmscott Manor.

The text, unusually for Brenton, veers alarmingly between the ferocious and the sloppy, mnch the best passages strikingly illuminated by Janet McTeer as a gibbering aristocratic battered wife and Lesley Sharp as the lesbian thespian. These two joyfully talented performers have more trouble with the under-written free-livers. This reflects the pattern of the play, which falls to pieces the moment Brenton trades in his anger and prophetic despair for speculative whimsy. One is despondent to see him harbouring such high hopes for the buman race.

Director Simon Curtis is well served by a top quality cast, and the designs of Paul Brown and lighting of Andy Phillips transport us magically from the grey gloom of housing estates by Southwark Bridge to the Arcadian rusticity of Greenland, where the seasons change colour, funnily enough, in the hallowed style of yesteryear.

Musical pendant on which to hang glittery baubles

Richard Fairman reviews Bussotti's new work, 'L'ispirazione,' at the Maggio Musicale, Florence

The career of the composer Sylvano Bussotti has had only a limited impact outside his native Italy. Venice, and Florence, his home town, have become the twin poles of his artistic life, perhaps appropriately so considering he was brought up equally in the Tuscan and Venetian dialects, and even sometimes both at the same time.

Last week it was the turn of the Maggio Musicale in Florence to present the premiere of his latest stage work. This is *L'ispirazione*, a piece which must be as an extravagant an entertainment as any in the city's colourful history and by no means an easy one to categorise. The term opera is patently insufficient for any work by Bussotti, but this has turned out to be an even more fantastic concoction than the earlier stage works, for which he has already coined the special name Bussottioperaballet.

There is a plot of sorts, taken from a short story by the German writer Ernst Bloch (an old drunken violinist composes secretly at night and only wins public acclaim when his daughter raids his library and sings one of his works in public). But for Bussotti this central theme is, little more than a pendant on which to hang as many glittery baubles as he can.

A film sequence is shown; a spaceship lands on the stage; a baroque orchestra is conjured up. And that is just the first ten minutes. A journey in time and space to the Future, "that great theme park in the sky," as the libretto has it, is the excuse for anything and everything to happen, and the producer British film director Derek Jarman wisely lets it all run its own erratic course.

It is certainly no good looking for any sense in the piece, unless it is as an extension of the composer's exhibitionist personality. The multi-talented Bussotti – artist, composer, designer, man of the theatre – is everywhere at work, as though he is intent on creating a sort of light-hearted *gesamtkunstwerk* in the Wagnerian tradition, even down to designing the costumes himself. The curtain calls looked like an outrageous fashion parade.

The problem – and it is here the work ultimately fails – is that one senses Bussotti enjoyed designing the dresses a lot more than he did writing the music. Though the eyes stay on the alert, the ears soon tire of a score that is short on musical individuality: a pale echo of musical influences, such as Boulez or Nono, without their rigorous control or selection of ideas. Near the end a long chorus starts to raise the spirits, but by then it is too late. Any serious artistic substance has been submerged under a mountain of tinsel.

Amid the high camp antics individual members of the cast mostly get lost. There was evidence of a useful lyric voice from Richard Cowan as the composer Maestro Wolfango; and Julia Conwell soared easily on high in the stratospheric vocal part of Serena, though even she was upstaged when she had to sing her opening number backed by a group of dancers in silver bathing costumes and with large saucers on their heads. The much loved comic veteran Renato Capecchi was also in there somewhere as the Maestro di Cappella. Not to be outdone, the orchestra and conductor (Jan Latham-Koenig) ended the performance by rising en masse from the pit on a hydraulic platform, like an 80-man cinema organ – Bussotti'a final coup de theatre.

The Maggio Musicale put the whole show on with enormous style. There was something of a Busby Berkeley decadence as one parade of extras followed another; while in a more serious vein the festival administration had also taken its edncational responsibilities seriously by supplying a souvenir festival book packed with lengthy articles as well as a 200-page programma with full libretto. This is the way to do a new work, if it is to be done at all.

It is difficult, though, to see any life for *L'ispirazione* outside this production. Bussotti has complained that his operas rarely get revived or shown outside their original venues, and this one looks set for the same fate. Even if a London audience had the patience to get to grips with *L'ispirazione* (wbicb seems unlikely), there is no sign that the money would be forthcoming to give an extravaganza like this the send-off thet it needs. Florence bas indeed rewarded her son most generously.

★

As an antidote to all this theatrical froth, tha Maggio Musicale was also offering a pair of major piano recitals in the next couple of nights. The pianists were Andras Schiff and Murray Perahia, vying with each other in playing Schubert: Schiff imaginative and delicately nuanced in the G major sonata, Perahia disappointingly hard-driven in the D major. In Perahia's recital, however, there was ample compensation to come in his sensitive playing of the Third and Fourth Chopin Ballades. A city so full of art treasures deserves no less of one musical weekend.

Beethoven/Elizabeth Hall

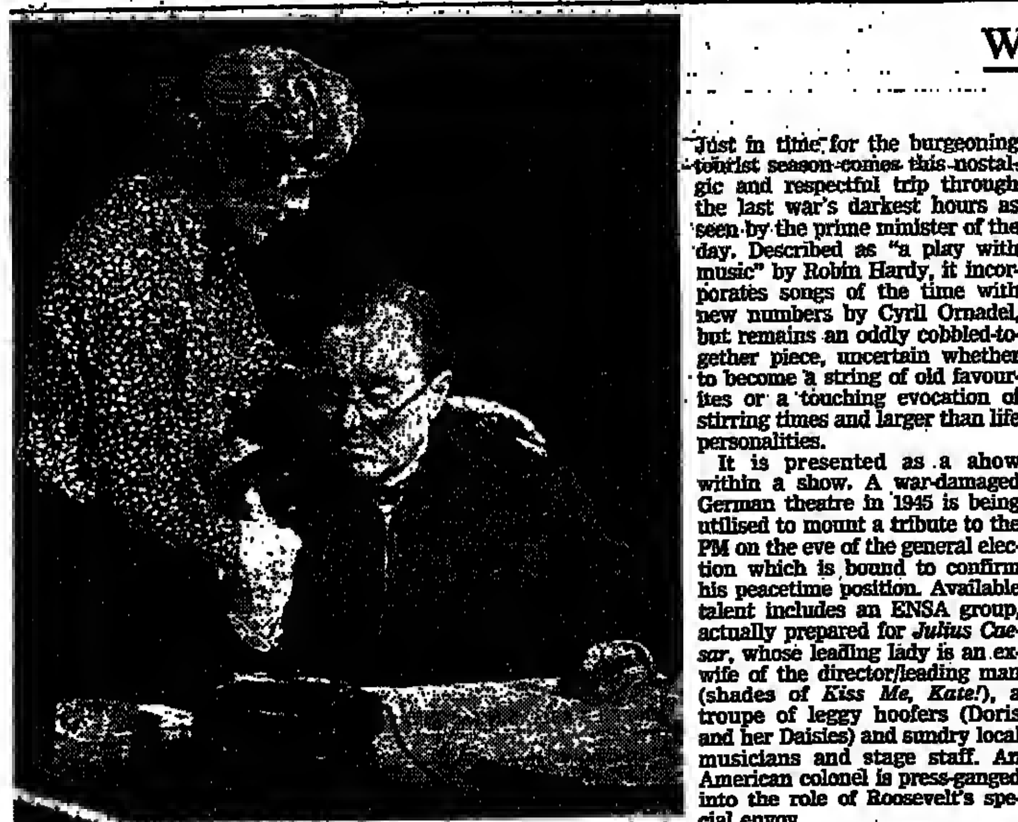
Max Loppert

Beethoven is box office. For Tuesday's concert, the last of the London Classical Players' Beethoven series, invented and conducted by Roger Norrington (and sponsored by Logica), every seat was taken, and the hall was alive with the kind of buzz rarely heard or felt in this particular auditorium. These concerts of the symphonies, piano concertos, and overtures on instruments of the composer's period have proved revelatory: not just because the "new" sounds thus prodnced have made one listen with new ears, but above all because of the renewed thrill and joy of the musical content thus freshly uncovered.

The performance of the Seventh Symphony that brought the series to a close was without doubt the most exciting I have ever heard in the concert hall. Tha paradox that has already been discussed previously must be trotted out once again: it is in large part because of the period-instrument sound as delivered by Norrington and his forces that Beethoven's startling modernity of vision becomes so scalp-tinglingly manifest.

It was a superbly well-played "anthentic" performance, with few fluffs or bloopers, and a crispness of execution that betokened expert preparation; and it produced a rawness of corporate sonority, un-homogenized, distinct in departmental strands, that went to the heart of the argument. (The same could be said of the *Coriolan* Overture at the start of the evening.) Sound and substance were absolntely one. (The separation of first and second violins was itself a dramatic stroke freshly revealed.) Rhythmic energy was created, not forced – the A major Symphony stood in direct line as the 19th-century ancestor of *The Rite of Spring*.

Norrington's concern for correct tempos and his ability to secure clean articulation in the inner parts were in perfect balance – this was always not the case in the early performances of the series, and it showed how his own mastery of Beethovenian disconrse and structure has grown with the experience. Tuesday's concerto performance, of the G major, was marginally less successful – Melvyn Tan seemed flustered, rhythmically unstable in the first movement, and it was not until the finale that the full benefits of textural clarity and intimacy, and of the soloist's graceful fingerwork, were paid as they should. As a whole, though, the concert was a marvellous end to a marvellous series.



Virginia McKenna and Robert Hardy

Winnie/Victoria Palace

Martin Hoyle

Just in time for the burgeoning tourist season comes this nostalgic and respectful trip through the last war's darkest hours as seen by the prime minister of the day. Described as "a play with music" by Robin Hardy, it incorporates songs of the time with new numbers by Cyril Ornadel, but remains an oddly cobbled-together piece, uncertain whether to become a string of old favourites or a touching evocation of stirring times and larger than life personalities.

It is presented as a ahow within a show. A war-damaged German theatre in 1945 is being utilised to mount a tribute to the PM on the eve of the general election which is bound to confirm his peacetime position. Available talent includes an ENSA group, actually prepared for *Julius Caesar*, whose leading lady is an ex-wife of the director/leading man (shades of *Kiss Me, Kate!*), a troupe of leggy hoofers (Doris and her Daisies) and sundry local musicians and stage staff. An American colonel is press-ganged into the role of Roosevelt's special envoy.

The comedy promised by backstage ill-assortment never materialises. Instead we get snatches of *Happy-as-a-Sandbag*, a whiff of Blimp and *Dad's Army*, and a dose of hearty Bart-type camaraderie with a rousing version of "I'm Going to get Lit Up when the Lights Go Up in London" from a Tube-full of air-raid fugitives. It even turns into a show within a show within a show when a Brixton pub puts on a music-hall turn (Toni Palmer as a pearly queen leading a knees-up) and a young lieutenant proposes to his girl, Winnie's secretary, urged on by the lisping soldiery and unusually slim-hipped south Londoners.

The musical numbers are cemented by Robert Hardy's Churchill. Mr Hardy distinguishes vividly between ENSA's impresario (a finely calculated study in casual throw-away) and the premier who, it must be admitted, comes over as everyone's party-turn imitation of those famous mannerisms in those famous lines. He is ona of the few actors capable of expressing full-blooded rhetoric without embarrassment today, but is inhibited by the comic-strip limitations of the role as here depicted. Virginia McKenna is a beautiful and gracious Clemmie; fulfilling Mrs Churchill's more or less historical functions of gently reproving Winnie when he was a bully and singing Noel Coward's "London Pride" to the harmonising citizenry in air-raid shelters.

The music is eclectic; thus a group of ATS on drill do their bit for the war effort by discarding their skirts and singing "Kiss Me Good-Night, Sergeant-Major" in lace-trimmed knickers. Lesley Duff belts ont "A Nigbtingale Sang in Berkeley Square" in tones as metallic as her silver Maria Montez outfit, flattening this great song's wistful appeal as surely as the bomb destroys the Café de Paris – this scene at least gives a frisson of original theatricality as the doomed dancars whirl to an increasingly nightmarish frenzy. Miss Duff shows she *can* do it properly with a lovely rendering of that Olde Englisb air, "You'll Never Know." Amazing quick changes; loud bangs; revolves; a tank; and an apathetic bulldog. As the band reminded us at one point, there'll always be an England.

London Symphony/Barbican Hall

David Murray

Graced by the presence of the Queen Mother and sponsorship by Eurotunnel, Tuesday's concert by the LSO was part of the "Images de France" series. We had mostly non-French musicians performing French music and the other way round, though the conductor Yan Pascal Tortelier is of course French. The accompaniment to Cbopin's F minor concerto offered him no special opportunities, hut his impeccably paced account of Ravel's *Shéhérazade* with Maria Ewing had many refined details and some surprising ones. No donbt *Boléro* went well too, but having had my maximum permitted exposure for the decade I was unable to stay for it.

Shéhérazade found Miss Ewing in lovely form, seductive timbre enhancing the fine intelligence she brings to these songs. Better still, most of the cabaret vocal slides she used to indulge here have been quietly shelved, to tha great benefit of Ravel's line, and without prejudice to her rapt theatrical involvement. Cécile Ousset was the pianist in the Chopin concerto: a certain rhythmic blandness – no hint of any national dance-pulse – was compensated by her usual huge energy and richly balanced tone. She scarcely ever dares to be playful in non-French music, but her musicianship is always sound, and the sheer pleasure of hearing the piano so resplendently played is a reward in itself.

The concert began with less familiar stuff, French airs and theatrical scenes from two and three centuries ago – Lully and Marc-Antoine Charpentier, Michel Lambert and Henri Dumont – performed by William Christie's distinguished ensemble "Les Arts Florissants." As usual their voices and strings were persuasively stylish, light and communicative. The airs spoke for themselves; Lully's and Charpentier's satirical interludes for Molière plays, delivered with raucous verve, needed their texts – duly printed in the programmes which most of the audience received only at the interval. Lully's "Ballet des nations" scene happened to be about frustrated ballet-goers unable to get programme-hooks, a coincidence which amused those of us who'd been lucky enough to be given them.

Arts Guide

May 27-June 2

Exhibitions

LONDON

The Royal Academy. Cezanne: The Early Years 1859-72. A concentrated and illuminating study of the formative period of one of the greatest artists of the 19th century, who was also one of the seminal figures of the modern movement. Ends August 21.

The Royal Academy Summer Exhibition. The 220th Summer Exhibition in an unbroken sequence and still the largest Open Exhibition of current painting, sculpture, prints and architecture in the world. Daily until August 7.

Barbican Art Gallery. Art or Nature – a thorough survey of French Photography in the 20th century as part of the Images de France Festival. End July 17.

The Hayward Gallery. Two concurrent exhibitions: Angry Penguins – a fascinating study of the group of young painters active in Melbourne during and just after the Second World War. Sydney Nolan, Arthur Boyd, John Perceval and Albert Tucker are all shown in impressive depth. Both shows until August 14.

British Museum. Ukiyoe – Images of Unknown Japan. This large exhibition of exquisite quality, brings to us, through the work of the greatest masters of the wood-block print, the magical "Floating World" of pleasure and the senses that was the city of Edo (modern Tokyo). Until August 14.

National Portrait Gallery. Paolozzi Portraits – a small but intriguing show of recent work on a subject that in general terms has fascinated the Scottish sculptor, Edoardo Paolozzi, throughout his long international career. Until August 7.

NETHERLANDS

Amsterdam. Tropenmuseum. The arts and crafts of Indonesia, illustrated with more than 500 objects in bronze, bamboo, textiles and precious metals spanning 2,000 years of cultural history. Ends August 21.

Amsterdam. Jewish Historical Museum. To celebrate the 40th anniversary of the founding of the state of Israel, an exhibition devoted to the theme of light in Jewish ritual. Ends June 12.

Amsterdam. Vondelkerk. The life and work of the Canadian pianist Glenn Gould, in an exhibitioo which includes screenings of legendary video recordings, including some oever shown before. (Weekends until June 12). (Vondelstraat 120).

PARIS

Centre Georges Pompidou. Marc Chagall: 46 paintings, 406 drawings and gouaches and nearly all the illustrated books which have been given to the French state in lieu of death duties constitute a unique retrospective of Chagall's life and work. (42 77 12 33) Closed Tue. Ends June 5.

Galérie Schmit. French masters of the 19th and 20th century. 396, Rue Saint-Honoré (42608636) closed Sundays and lunchtime. Ends July 16.

Galérie d'Art Saint Honoré. A vast allegory of war and peace painted in the atelier of Hans Brueghel the elder forms a striking centrepiece of an exhibitioo of Flemish masterpieces. 267, Rue Saint-Hooeré (42601508). Ends June 15. Closed Sat, Sun, and lunchtimes.

Pavillon des Arts. The magnificence of silversmiths' work in India during the reign of the Moghuls testifies to their love of luxury. 101, Rue Rambuteau (42338250) closed Mondays and holidays. Ends July 17.

Galerie Odermatt-Cazeau. Guillaumin's deep blue of the Mediterranean framed by green pine trees and orange earth entices the passer-by into an eclectic exhibition of some 50 works by the masters of the 19th and 20th century. 85 bis, Rue Faubourg Saint-Honoré. (42669258) Ends July 30.

VIENNA

Historisches Museum. Karlsplatz. The cultural legacy of Vienna's Jews. Ends June 5.

Austrian Museum of Applied Arts. Konst und Revolotion. A rare opportunity to see, under one roof, an exciting burst of creativity by Russian and Soviet artists between 1910 and 1932. Closes June 15.

Kunstlerhaus. Public spirit and protest: Biedermeier and Vormarz in Vienna 1815-1848. Ends June 12.

Rathaus. Wien 1938. Vienna's city hall is commemorating the Anschluss, the German annexation of Austria in 1938. Ends June 30.

NEW YORK

American Craft Museum. An ambitious show that traces the history of American architecture back to the turn of the century. Ends Sept 4.

Pierpont Morgan Library. Over 300 items from the life and art of Beatrix Potter show the evolution of the artist and her work. Ends Aug. 21

WASHINGTON

National Gallery. The human figure in early Greek art is the subject of 67 sculptures and painted pottery starting in the 9th and 8th centuries BC. Ends June 12.

National Gallery. To mark the 350th anniversary of the first Swedish colony in North America, a royal treasury covering four Swedish monarchs in the 16th and 17th centuries will show Sweden as a resplendent and aggressive world power. East Wing. Ends Sept 5.

CHICAGO

Art Institute. A centenary retrospective of the work of Georgia O'Keefe evokes the world of flowers and skulls in the luminous light of New Mexico. Ends June 26.

TOKYO

Tokyo Metropolitan Art Museum, Ueno. Japan in the 1920s. Over 400 works (paiotiogs, photographs, architectural designs, stage sets) tracing cultural and artistic developments in and around the seminal decade when Japan first emerged as an industrial giant. Closed Mondays. Ends June 5.

Tokyo National Museum, Ueno. Art Treasures of Ancient Egypt. Closed Mondays. Ends June 12.

ITALY

Venice. Palazzo Grassi. The Phoenicians: The fourth major exhibition at Fiat's imposing arts' centre on the Grand Canal attempts to give a complete picture of this extraordinary people. (Until Nov 6).

WEST GERMANY

Frankfurt. Stadelsches Kunstinstitut. Georg Baselitz. To commemorate the 50th birthday of the Berlin painter the museum is showing 150 paintings and 30 pictures covering the period 1958-1964, and 17 woodsculptures from the last 10 years. Durerstr. 2. Ends Aug 17.

Cologne. Romisch-Germanisches Museum. Caesar's Glass. This exhibition is the most important display of Roman glass ever staged. Until August 28.

Cologne. Museum Ludwig. Picasso in the second World War. 120 paintings, drawings and sculptures covering the period from 1938 to 1946, showing the painter's influence on artistic life after the war. Bischofsgartenstrasse 1. Ends June 16.

Berlin. Nationalgalerie. Lucien Freud. The British painter, born in Berlin in 1922, will be honoured in a retrospective with 60 pictures from all periods of his working life. Potsdamerstr, 50, ends June 12.

Saleroom/Antony Thorncroft

Enthusiasts rich pickings

The fine art anctioneers, Sotheby's and Christie's, started life two hundred years ago selling everything from a stack of hay to a few old books. These days, as they try and keep their turnovers at constantly record levels, there is a pile it high, sell it dear, attitude, abroad, too.

Sotheby's yesterday was disposing of garden furniture at its Billingshurst saleroom and marine pictures in London. No one can pretend that either represents high art but there are enthusiastic collectors for both, not least among rich yachtsmen, and especially American rich yachtsmen, for the pictures.

Montague Dawson is the marine artist supreme, and twenty one of his oils and watercolours were on offer. "The Golden Fleece," showing a sailing ship at sunset, sold for £59,400, roughly twice the estimate, and an auction record for Dawson. His re-creation of a China clipper on choppy seas also did very well at £35,200.

A depiction of the Battle of Trafalgar by William Stuart sold to the London dealers, the Fine Art Society, for £34,100 It was painted well after tha event, around 1850, by Stuart, a little known artist who lived in Stepney. He gives a graphic description of the battle,not entirely factual, but showing the height of the action in the afternoon.

Another Dawson, of "The Adelaide," sold well above estimate at £30,800 while a representation of the visit of Queen Victoria and Prince Albert to King Louis Phillipe of France at Treportin 1845, commissioned by The Earl of Haddington, whose family were First Lords of the Admiralty until recent years, made £25,300. "The relics of Trafalgar" by Charles Wynne Nicholls, exhibited at tha Royal Academy in 1881, doubled its estimate, at £20,900, to an American collector; the relics are old sailors rather than bits and pieces. Sotheby's has pioneered sales of garden statuary and architectural items and its early summer auction in Sussex is proving its most successful ever. The first day raised £396,649, with only 3 per cent unsold, and yesterday morning added another £329,450, with 4 per cent unsold. Top price was the £37,400 paid for a white marble group by Charles Birch, entitled "A wood nymph," created in 1865, and showing a naked girl fondling deer.

A Georgian white marble chimney piece of the late 18th century donbled its estimate at £16,500 and a white marble group of an Amazon on horseback, late 19th century, also did well at £15,400. Statuary seemed to be popular. A white marble group, in the style of the antique, of the Ludovisi Mars, also late Victorian, went for £14,850, also twice its forecast. Rich men, with grand houses, are buying up impressive statues to set off their vistas.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4 P4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Thursday June 2 1988

A continuing dialogue

FEW PEOPLE will be tempted to throw their hats in the air after the Moscow summit. In terms of concrete achievements, it can best be described as no more than a qualified success. Yet it would be unreasonable to be disappointed with a result that was accurately forecast by both sides.

It would also be shortsighted to look at the achievements of the summit merely in terms of agreements reached or signed. As Mr Gorbachev explained in his long and impressively candid press conference yesterday, that is not necessarily the point of such meetings, though in the past both leaders have always tried to make them the occasions of accords, such as the Intermediate Nuclear Forces (INF) treaty, which fire the public imagination.

This time they could come up with little more than relatively minor concrete agreements, which will allow the ratification of two long-delayed nuclear test limitation treaties, and an exchange of the instruments of ratification of the INF treaty itself.

Ratification

The fact that the latter ceremony was built up into a major event was not entirely unjustified. For, although the treaty abolishing all land-based medium range missiles was signed at the last summit in Washington in December 1987, it completed its difficult passage through the Senate only just before the Moscow meeting. Indeed, it probably would have been bogged down there for many weeks to come but for the realisation by both the Democratic majority and Republican leaders that Mr Reagan's position in Moscow would be seriously weakened if he appeared unable to secure the ratification of a treaty he had himself signed after lengthy negotiations.

However, the really important result of the summit is that it has demonstrated the desire of both Mr Reagan and Mr Gorbachev to solve bilateral and international problems through a continuing political dialogue. The idea that such meetings should be held regularly even without any prospect of major agreements has now taken root in the minds of both leaders. That is all to the good, since too much drama at summits is not necessarily conducive to an improvement in relations or the international climate, as the Reykjavik summit in October 1986 showed all too clearly.

Having ruled out in advance any conclusion of an agreement on a strategic arms reductions treaty (Start) at the Moscow meeting on the sensible grounds that it would be a serious mistake to rush through a treaty of such complexity, the experts of both sides were able to make significant progress on details. Fundamental differences still exist over such issues as the US refusal to submit submarine-launched cruise missiles to a verification regime, but progress on other problems such as mobile land-based and air-launched cruise missiles will permit the Geneva arms control negotiations to resume in July on a more constructive basis.

Catalogue

Though it must still be considered very much an outside chance that a Start treaty can be concluded before President Reagan leaves the White House in January next year, the establishment of a catalogue of arms control problems on which the US and the Soviet Union are already agreed shows that the two leaders are serious about trying to meet this target.

President Reagan has come in for some criticism – and not only from the Russians – for the persistent and public manner in which he has harped on human rights problems in the Soviet Union. It is true that he adopted a sermonising tone which offended his hosts and prompted Mr Gorbachev to complain that he was ignoring the progress already made in this field. The fact is, however, that progress towards greater individual freedom and democratic rights under Mr Gorbachev is still limited and that international pressure is still an important, perhaps indispensable, factor sustaining the pace of change.

The real proof of Mr Gorbachev's desire to build a continuing relationship with the US was that he did not allow Mr Reagan's human rights campaign to sour the atmosphere of the talks or undermine the discussions on other essential issues. That too must be considered one of the Moscow summit's successes.

Reaganomics under test

WILL THE US be able to have its cake and eat it? If it can, will the rest of the world choke on the crumbs? These are the questions raised by a reading of the latest OECD report on the US economy.

That the US has had its economic cake is clear. Up to now, the performance of the economy under Reaganomics has been excellent. 1988 will be the sixth year of sustained growth, the rate of GNP growth having been close to, or above, 3 per cent in every year since 1982. Employment has risen by 15m since 1982, while the latest statistics show an unemployment rate of 5.4 per cent, the lowest for 14 years. Finally, inflation has remained well under control. Despite all the criticisms supply-side economics appears to have offered the US a free lunch or, at least, free cake.

Of course, the tastiest morsels were paid for by foreigners. Thus the OECD report estimates that the net asset position of the US has deteriorated from a surplus of \$106bn in 1980 to a deficit of \$403bn at the end of 1987. At least until last year, however, supply-siders could argue that the scale of US borrowing reflected well, not badly, on the programme, since finance was voluntary. This thesis is no longer plausible. In 1987 the monetary authorities of the rest of the world made the US the beneficiary of one of the largest aid programmes of all time, to the tune of some \$140bn.

Alternative

This observation does not end the argument. Maybe the US will get away with an expansion fuelled by borrowing abroad, just because the rest of the world would rather finance US adjustment, however slow, than permit the crisis that is the probable alternative.

It is clear that the large dollar depreciation between 1985 and 1987 has had a significant effect on export performance. In 1987 the volume of exports of goods and services rose by 12.8 per cent over the 1986 level. Such export growth could solve US problems, if it were not for the buoyancy of imports. The latter does, however, reflect not merely the continued growth of personal consumption, but the growth of investment as well. Thus the OECD expects non-residential fixed investment to rise by 9½ per cent in 1988, such an increase promising a sustained export expansion that will ultimately balance the external accounts.

It is possible, then, that the US will be able to enjoy, first, growth with growing deficits and then adjustment of the deficits with steady economic growth. What could undermine this happy denouement for the Reagan years? The danger is that the adjustment will turn out to be too slow. It is on this point that the OECD report makes unhappy reading. The growth of export volume is expected to decline in 1989 and that of imports to be sustained, leaving the country with a continued current account deficit of well over \$100bn a year indefinitely.

Implications

If this scenario comes to be believed (whether or not it is correct), two things are likely to follow at some point: renewed difficulty over the dollar and a decision by foreign governments, concerned at the long-term implications of open-ended intervention, to withdraw support for the dollar. With fiscal policy so inflexible, the US authorities would then face a bitter choice between the inflationary consequence of rapid depreciation and the recessionary effects of a tighter monetary policy. Indeed, there is no small likelihood of both inflation and recession coming together.

Usually, by-standers get a certain pleasure from watching profligates receive their just deserts. In the case of the US, however, such pleasure is unlikely to be unalloyed. Without great luck and decisive action by a new administration to raise national savings (mainly by eliminating the fiscal deficit through a precisely-defined and credible multi-year programme), it seems unlikely that the US will end up by eating the cake of Reaganomics, without at least a few hiccups along the way. It is still more probable that in the process the rest of the world will choke, if only on dollars.

Ian Davidson explains why France's general election looks likely to hand Jacques Chirac another defeat

After the wreck, an awful hush

ON TUESDAY evening Mr Michel Rocard, France's new Socialist Prime Minister, was the star speaker in a multi-media general election rally in Marseilles. The crowd cheered him to the echo, applauded the name of President François Mitterrand, and whistled at that of Jean-Marie Le Pen, leader of the extreme right-wing National Front. Yet one third of the seats in the vast exhibition hall were empty, and the meeting ended 40 minutes earlier than scheduled; it was not an exciting occasion.

Until the beginning of this week, indeed, you would have been hard put to it to know for sure that there was a general election under way in France. Here and there a few posters for the local candidates, on television a strict ration of official party broadcasts and an uninterrupted flow of inventive analysis on the radio and in the press; but no policy debate, no political spectacle, no tension. In short, no campaign.

It has, of course, been very sudden. The general election – with first round voting on Sunday – has come so hard on the heels of the presidential election that the politicians have hardly had time to catch breath. During the first week after Mr Mitterrand's snap decision on May 14 to dissolve the National Assembly, the parties were far too busy with their internal negotiations on lists of candidates to have any time for campaigning; the centre-right UDF grouping and the neo-Gaullist RPR were wrestling with the task of trying to build a (more or less) united defence against the National Front; the power brokers in the Socialist Party were arguing about how many seats they just might be prepared to hold open for centrists (or even Communists).

The Socialists are buoyed up with the expectation that the tide of Mr Mitterrand's sweeping victory in the presidential election will carry them to a similar victory in the legislative elections; so it is not surprising that they should be doing the most to mount big public meetings. A surprisingly vigorous national campaign is also being conducted by Mr Pierre Juquin, the reforming Communist, though it is aimed more as a continuing attack on the unreconstructed hard-liners of the official Communist Party than in hope of any significant electoral success. And in Marseilles Mr Le Pen still gets top billing in the media with the only campaign which is giving off genuine sparks of political conflict.

The neo-Gaullists, by contrast, are showing the discretion of defeat; they have planned no major national spectacle, they appear to have no platform, and their candidates seem mainly to be concentrating on shaking hands with local voters at the grass-roots. Even Mr Jacques Chirac, the party leader, has remained largely absent from the public stage. He has spoken at a meeting in Grenoble staged by the local party – it appears to have attracted a very thin audience – and he has made one or two walkabouts. But on the whole he has stayed out of the limelight, preferring to cultivate his own rural constituency in the Corrèze.

There are many reasons for the reticence of the Gaullists, but the list starts with three main interlocking factors: defeat, *cohabitation* and consensus. Together they add up to a major question mark over the future of the Gaullist movement, its leadership, and its relationship with the rest of the French right.

From the moment the presidential campaign first stirred to life last summer, the polls seemed to point consistently to a Mitterrand victory. But with the energy of a hyper-active campaign, Mr Chirac first succeeded in overtaking Mr Raymond Barre, the other main right-wing candidate, and then in the final weeks looked as if he might be able to narrow Mr Mitterrand's lead. In the event, he suffered a humiliating defeat, with less than 20 per cent of the vote in the first round, and less than 46 per cent in the second. This was a crushing popular rejection, though it was hard to tell whether it was of the man, of his party, or both.

Since Mr Mitterrand's 54 per cent victory, the opinion polls have been predicting a comparable victory for the Socialist Party in general elections. Inevitably, the margin of error is substantial, because of local constituency factors and the possibility of three-cornered fights. But all the polls seem to indicate that the Socialists might well win an even larger majority than in 1981 in the second round of voting on Sunday week.

The difficulty for Mr Chirac, and for his neo-Gaullist RPR party, is that he fought the presidential election in terms which now make it very difficult for him to fight a national campaign for a general election.

When the right and centre-right parties won a narrow majority in the 1986 general elections, Mr Chirac seized his opportunity, as leader of the largest party on the right, to form a centre-right government. This was controversial, since it meant *cohabitation* between a right-wing government and a left-wing President, and no one knew how or whether this would work. Mr Chirac seized the chance, however, because the Prime Minister's position in the Hôtel Matignon looked like being the most advantageous jumping-off point to go after the President's job in the Palais de l'Elysée two years later.

Things have not worked out like that, but in the process of fighting the presidential election, Mr Chirac has added to his immediate tactical difficulties. In order more effectively to attack President Mitterrand's record and policy, Mr Chirac denounced the *cohabitation* he had embraced in 1986: then it had been necessary and desirable, but now it had come to the end of its life and could no longer survive. The choice before the electorate was between liberty and socialism.

This was not a very convincing line of attack. It was hardly consistent with the surprising degree of policy consensus which marked the platforms of all three main-stream candidates. And, during *cohabitation*, the President and the Prime Minister had had their conflicts, but it is hard to think of any major policy objective where the Prime Minister was frustrated by the President. If there were serious policy setbacks, over university education, for example, or the reform of the nationality act, they were inflicted by popular protest. In constitutional terms, the two years' *cohabitation* showed that Mr Chirac's government was able to govern, despite its narrow majority and the permanent tension with the President.

But having denounced *cohabitation*, Mr Chirac has effectively ruled out the *raison d'être* for a thrusting general election campaign by the Gaullist party. Mr Mitterrand has been re-elected by a wide margin; his second term in the Elysée has all the legitimacy of massive popular endorsement. Even if, against all predictions, the right and centre-right parties were to retain a majority of the seats in the National Assembly, Mr Chirac and his government could not decently claim a return to power.

Moreover, the hallmark of the presidential election campaign was the note of consensus. Mr Mitterrand, Mr Barre and Mr Chirac all spoke in such similar terms that it was hard to detect really substantial policy differences between them. The top priorities for all three candidates were essentially the same: the fight against inflation, stability of the franc, the promotion of the Ecu and the establishment of a European central bank, the promotion of French economic competitiveness and the strengthening of the education and training systems, the single European market in 1992.

In the closing days of the campaign, the consensual mood was disrupted by a sudden rightward lurch by the Gaullist party, in an attempt to woo Mr Le Pen's supporters. But since most of the presidential contest had been fought in terms of personal style, with little of the traditional ingredients of a left-right contest, it now becomes rather difficult for Mr Chirac and his Gaullist movement to recreate the kind of platform which would magnify the differences between left and right and which would be suitable for a general election.

Whether Mr Chirac was helped or hurt by his rightward lurch is still a moot point. France was shocked by the discovery that Mr Le Pen could score as much as 14.4 per cent in the first round of the presidential elections. But the shift from proportional to majority voting means that the National Front is bound to lose many of its 32 seats in the National Assembly and one poll predicts that the party will fail to win a single constituency. This would not be the end of Le Pen; his xenophobic, law-and-order rhetoric will no doubt keep its appeal for the protest voters, and he will seek to build positions of influence in next year's municipal elections. But for a time he may be a diminished or, at least, an unquantifiable force.

When Mr Chirac was asked on television about the reasons for his defeat, he gave two sad explanations: the lack of a single mainstream candidate on the right to challenge Mr Mitterrand; and the lack of the right language with which to speak to the malcontents who voted for Mr Le Pen. By implication, Mr Chirac seemed to be admitting that the right was not, in present circumstances, in a position to win a presidential election.

The right had two mainstream candidates because the right is divided, and no single party is sufficiently dominant to impose its own candidate. For the purposes of this campaign, the neo-Gaullist RPR party and the centre-right UDF umbrella grouping have cobbled together an electoral pact, but it cannot last long, because the different parts of the UDF have different objectives. Mr François Léotard, leader of the free-market Liberal Party, is aiming at the formation of a large right-wing grouping in alliance with the neo-Gaullists; whereas the centrists and the supporters of Mr Raymond Barre, appalled at the danger of contagion by the National Front, are multiplying nods and winks in the direction of the Socialists. After the election, the UDF is likely to fly apart and the Gaullists may be half a step nearer to a dominant role on the right.

But the reason Mr Chirac did not find the right language to communicate with Mr Le Pen's protest voters is that his party is in a state of incomplete ideological mutation. In a few years it has discarded, at the rational level, the traditional Gaullist reflexes of economic *dirigisme*, hostility to the European Community, and rigid insistence on national independence in defence and foreign policy. At a less rational level it has yet to shed the folk memory of a populist, nationalist movement with distinct authoritarian overtones, and it seems uneasily suspended between two stools. Opinion is divided over whether Gaullism is now little more than a dead letter; but in any event, Mr Chirac could not talk to the protest voters because his party has not come to rest with a stable identity.

Mr Michel Rocard, by contrast, is in a strong position. He is a popular choice as Prime Minister, his social-democrat views symbolise the opening to the centre for which President Mitterrand appealed to such striking effect, and he can expect to secure a comfortable majority in the National Assembly. If the French electorate voted for a more united France, it is Michel Rocard who will have the task of bringing it about.

In practice, the opening to the centre is likely to be difficult or slow: the UDF parties opted out, by adopting a position of "constructive opposition," which precipitated the elections; and the prospective Socialist majority may make superfluous any compromise with the centre.

But one of the clearest messages coming from the new Government, in contrast with its predecessor of 1981, is that it will take its time and do nothing precipitate. Moreover, Mr Rocard is already steering expectations away from the idea of a centre-left coalition. As he said in Marseilles: "The opening is not expressed primarily in terms of ministerial portfolios; it is above all a state of mind and a matter of listening to others."

On a public platform, Mr Rocard is an awkward speaker and his prose is often intellectual and abstract; many people remain baffled by his use of the word "opening." But when he talked privately to journalists after the meeting, it became clear that what he is talking about is "consent." Traditionally, he says, the French parliament passes far too many laws which remain unapplied, either because they are badly drafted, or repealed by the successor government. In future, he aims at fewer laws, but better drafted, better negotiated, and passed by larger majorities. "That is an opening which will count," he says, "to unite the French."

OBSERVER

Poor Greek diplomats

■ At the Greek foreign ministry this week business is not as usual. For the third time since September, Greek diplomats are on strike for higher pay. The fourth time could prove embarrassing for the Government, for the Greek Diplomats' Union has warned that if its demands are not met, the next strike will coincide with the Greek Presidency of the European Community which starts next month.

The union claims that Greek diplomats, whose salaries have been frozen since 1980, are the worst paid among all Community members. Greece's ambassador to the EC is said to earn BFr175,000 a year, when "even" his Portuguese colleague, in the comparison advanced by the union, makes BFr500,000. An employee of the embassy in Tokyo is talking of applying fora second job as a waiter.

Greece also stands at the bottom of the EC list in terms of its foreign ministry budget. As a result, most embassies abroad are understaffed. An ambassador to a European capital (moles say Helsinki) is believed to have cabled that he was having trouble clearing security when pulling up at official functions at the wheel of his embassy car, for lack of a driver.

Behind the figures, diplomats say, lies a philosophy which assigns the career service a very menial role in the formulation of foreign policy. They believe that this has gained ground during the last seven years of socialist government.

The resignation last month of the head of the directorate for Turkish and Cypriot affairs, on the grounds that the directorate had not been consulted on the Greek-Turkish rapprochement launched by Prime Minister Papandreou in Davos in January, highlighted the problem. "We have arrived at the end of our possibilities and patience," says the union.

At the Greek Embassy in London yesterday only what sounded like a caretaker was answering the telephone. He said the diplomats were coming back today.

British tradition

■ There must have been several plays called Tumbledown shown on BBC television on Tuesday to judge from the variety of reactions, which ranged from moral indignation to near-adulation.

The Tumbledown that I saw seemed typically British. The British are very good at warfare, very good at acting and very good at making plays and movies about the whole shoot. They have a class system which lends itself to social comedy and to social outrage.

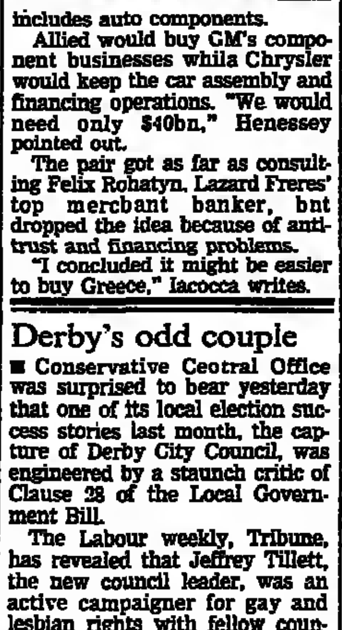
Tumbledown was in that inbred tradition, even down to the point of suggesting that the hero might have been different if he had been at Eton, not Fettes. It was very professional and only a mite pretentious. Those who say that it was anti-war should look again at sections of Shakespeare's history plays, which are far more devastating. The politics of the Falklands war was not even discussed.

In short, it was good middle-brow stuff – just right for the BBC.

GM survived

■ Some 18 months ago, when General Motors' reputation was at its lowest ebb, a few people on Wall Street began to think the unthinkable: perhaps GM could fall prey to the ultimate corporate raid. Only yesterday, however, did theylearn that the idea had occurred to Lee Iacocca, the chairman of Chrysler.

In "Talking Straight", a sequel to his best selling autobiography "Iacocca", he reveals that he seriously considered a hostile bid. The thought was put to him by Victor Potamkin, one of America's biggest car dealers. Iacocca says he was then approached by Edward Hennesey, chairman of Allied Signal, a widely diversified industrial conglomerate, which



includes auto components.

Allied would buy GM's component businesses while Chrysler would keep the car assembly and financing operations. "We would need only \$40bn," Henessey pointed out.

The pair got as far as consulting Felix Rohatyn, Lazard Freres' top merchant banker, but dropped the idea because of anti-trust and financing problems.

"I concluded it might be easier to buy Greece," Iacocca writes.

Derby's odd couple

■ Conservative Central Office was surprised to hear yesterday that one of its local election success stories last month, the capture of Derby City Council, was engineered by a staunch critic of Clause 28 of the Local Government Bill.

The Labour weekly, Tribune, has revealed that Jeffrey Tillett, the new council leader, was an active campaigner for gay and lesbian rights with fellow councillor and live-in companion Robin Wood.

Wood and Tillett, who run an art gallery and bar which is well frequented by the gay community, publicly opposed Clause 28, much to the disappointment of some of their Tory colleagues.

The two were on holiday together yesterday, but party colleagues confirmed the story. Indeed it is a measure of the respect in which Tillett is held that the Labour group leader, Bob Laxton, insists that he has never sought to make political capital out of the relationship.

He was complimentary about Tillett, who is the longest serving Derby councillor and has been Tory group leader for about nine years. Tillett's problems, said Laxton, lay in his own party.

Laxton feels that the hard right is gaining control of the group and that Tillett's days could be numbered. In the meantime, however, council affairs have been cosily arranged. Wood has been given chairmanship of the planning and economic development committees.

The other Moscow

■ A new booklet, Alternative Moscow, published today, is just too late for the hordes of journalists covering the summit meeting.

Nicholas Albery, the editor and chairman of the Institute for Social Inventions, writes about the Moscow that Reagan didn't see.

Albery found on a visit last month that the "perestroika" spirit reminded him of the hippies of 1968 in San Francisco. If you want naked dancers, you should go to a forthcoming production by Sergey Koorginian at the Na Doskakh Theatre; if you want "social games" there is group marathon therapy in which a group of people lives for a week or more without any pre-set sexual or other rules.

The institute includes among its patrons the ubiquitous Sir Peter Parker and the author Colin Wilson.

New market

■ An American businessman took a sabbatical to study business ethics in Oxford. He is going home swearing that there is "a real market in these ethics".

ECONOMIC VIEWPOINT: By Samuel Brittan

'Reference ranges' rule, OK?

THERE IS a great deal of discussion of possible reform of the world's exchange rate system. But what the idealists and the cynics alike fail to realise is that there is already a great deal of informal management of the world's three main currencies, the dollar, yen and D-Mark.

The notable landmarks in the process of management were, of course, the Plaza Agreement of September 22, 1985, which agreed to talk down the dollar and the Louvre Accord of February 22, 1987, which tried to stabilise the dollar at its new levels.

But there were numerous other accords, before and after. Despite the temporary suspension of exchange rate management after the stock market crash of October 19 last year, reference ranges were reinstated soon afterwards in the Group of Seven Statement of December 23, 1987 (the one issued without a meeting). This was far from being the platitudinous reassertion generally assumed.

Despite numerous disruptions and disputes about interpretation, a system of reference ranges is still in operation for the dollar against both the yen and the D-Mark. There is also a much more shadowy range against sterling, which enables the British Chancellor to derive a sterling-DM cross rate without saying he is shadowing the EMS.

Reference ranges – at least in the US interpretation – are supposed to differ from target zones in the following ways, among others:

- Intervention can take place within the range, as well at the edges.
- There is no mandatory commitment to intervene, only an obligation to consult.
- The range does not hava to be symmetrical around the reference points, but can be skewed in either direction.

The first two features are sometimes given the name of "soft edges". The reference points have usually been based on the market exchange rates the day before the meeting.

An alternative interpretation is that "reference ranges" sound less provocative than "target zones" and make it more difficult for Beryl Sprinkel – the chairman of the US Council of Economic Advisers and a sort of equivalent of Britain's Sir Alan Walters – to protest to the President.

Thanks to a remarkably detailed study by a Japanese journalist, Yoichi Funabashi, one can piece together the stages in the evolution of the present system (*Managing the Dollar: From the Plaza to the Louvre*, Institute for International Economics, 11 Dupont Circle NW, Washington, DC 30036, $19.95), a book previously discussed by my colleague *Anthony Harris in his Lombard* column of May 13.

The basic chronology needs to be stated. By late February and early March 1985, the dollar had reached a dizzy peak of more than Y260, and DM 3.4. The effective real dollar exchange rate had risen by more than 40 per cent since 1980. Highly protectionist US bills were doing well in Congress; and a very effective campaign against the high dollar was led by Lee Morgan of Caterpillar Tractor who was also Chairman of the US Business Roundtable Task Force; and there was also a more publicised one-man campaign by Lee Iacocca of Chrysler.

The new US Treasury Secretary, James Baker, did not need to be persuaded. But he used some skill in wearing down the White House commitment to free floating. He circumvented Beryl Sprinkel. But he made great efforts to take along with him another more pragmatic exponent of floating, the Secretary of State (and former Treasury Secretary) George Schultz, as well as Fed Chairman Paul Volcker.

The President was in fact pulled two opposite ways. One side of his oratory favoured free floating and boasted of the strength of the US currency. But he was also theoretically in favour of the gold standard, which implies fixed exchange rates. President Reagan's real obsession – which compares with Mrs Thatcher's on the EMS – is on not raising taxes to reduce the deficit.

It is quite impossible to say what would have happened to the dollar without the Plaza Agreement of September 1985. For it *started falling of its* own accord after the March peak. But the movement stalled in August.

The spectre of a dollar free fall has been enough to concentrate minds and secure new agreements against the odds

The Plaza Communique contained no figures. The intention, Funabashi tells us, was to drive the dollar down by 10 to 12 per cent in six weeks from the pre-Plaza levels of Y240 and DM 2.9.

A "war chest" of $18bn was established, but not all needed to be used. The US and Japan contributed 30 per cent each, and European countries 40 per cent in total. By the end of October the target fall had been accomplished; and in 1986 the US concern about getting the dollar to fall was superseded by Japanese and German concern to achieve a "soft landing" for the dollar.

Around the turn of 1986-87 Baker became worried by bad US trade figures and critical of the progress of expan*sion in Japan as well as Germany* and there were renewed threats to talk the dollar down. But the spectre of a free fall was enough to concentrate minds and a series of bilateral meetings paved the way for the Louvre Accord of February 22, 1987.

Reference rates were then agreed of Y153.50 and DM 1.825. A 2½ per cent *margin* on either side was accepted as a first line of defence and at 5 per cent consultations became obligatory. The central yen rate was subsequently raised to Y146.1 at the Group of Seven meeting in April.

While initial intervention to support the Louvre was (in contrast to the Plaza) greater than anticipated, the new central rates held up surprisingly well for most of 1987 – that is until the Wall Street crash of October 19.

The December 23 statement marked a new attempt to establish reference ranges. The 1988 New Year saw a central bank raid on dollar bears. So far in 1988 the dollar has not strayed much outside a range of 2¼ per cent on either side of Y125.

Against the D-Mark the story has been different. The dollar has risen this year from just under DM 1.6 to just above DM 1.7, at or above the likely *upper* end of any range. But just how premature it is to write off the D-Mark was shown in the foreign exchange market yesterday when the slightest hint of Bundesbank intervention was enough to send the anti-Mark speculators scurrying for cover.

* * *

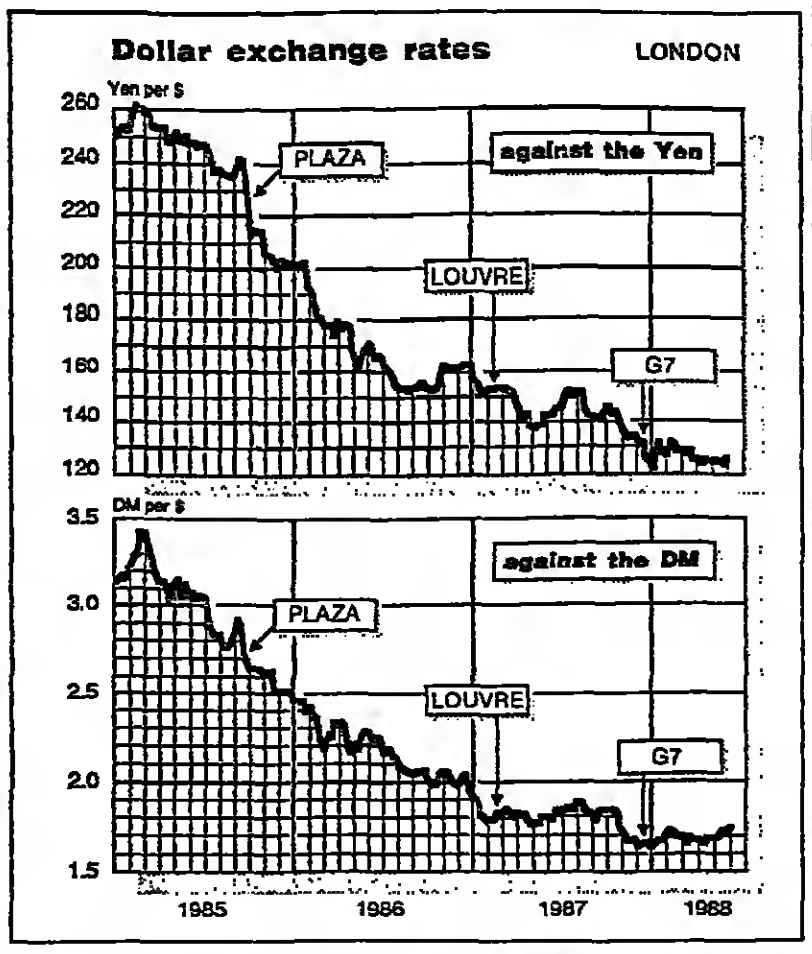
The huge omission from the agreements has been any *systematic understanding* about the accompanying domestic monetary action; or whether the domestic monetary effects of intervention should be sterilised or not. But there has been some ad hoc co-operation.

During most of the period since the Plaza, the Japanese have been clearly much more committed to the exchange rate ranges than the Germans – the *Bundesbank tries* at times to cast doubt on their existence. (The role of central banks in general has been one of unheroic foot-dragging).

Recently, however, Japan has been *so successful* in adjusting to a high yen that its government is no longer in the forefront of the campaign for currency stabilisation, merely benignly interested.

At times there has been a curious US-French alliance on exchange rate management. Target zones have long been a French proposal. They were a subject of interest to Baker in 1985-86 when Richard Darman was his Under *Secretary*; and, after a long period of British scepticism, Nigel Lawson surprised his international colleagues (not to speak of his Prime Minister's kitchen cabinet) by coming out in favour of *them, at the 1987 IMF meeting.*

The US has, however, shifted it emphasis to promoting IMF international indicators. These are, apart from exchange rates themselves: growth,



inflation, the current and trade balances, fiscal policy and monetary behaviour. Although there are no automatic triggers, there is an obligation to consult when deviations from plans or projections emerge. American sources claim that the first full multilateral surveillance under the indicator system took place at this April's G7 meeting.

In *practice*, the Americans have used the indicators to belabour the Germans for slow growth. A surprising degree of bitterness is shown. "Why do you guys want to get into bed with the Germans in the EMS?" I have been asked. "They are afraid of their own children (because of the high unemployment)."

So far from favouring a Group of Three with just Japan and Germany, the American side is keen on the Group of Seven, in the hope that France and Italy, if not Britain, will put pressure on Germany for more expansion.

Clearly, the *present co-operative* structure is tentative and fragile and has been marred by the US habit of blowing hot and cold to induce other countries to carry out adjustment.

New decisions will have to wait until the US presidential elections. But despite the siren songs of Professor Martin Feldstein, it is extremely unlikely that the next US president will return to benign neglect of the dollar.

There is thus no excuse for neglecting problems now building up. Some of them are "problems of success", already evident from the sterling-DM saga. The dollar is, for instance, now tending to rise because US interest rates are relatively high, despite long term fears about deficits and inflation.

The best way to eliminate this perversity is to have known target ranges, whose mid-points are subject to change, but by less than the width of the existing bands.

The new slogan of the central bank conservatives is: "First remove the main international imbalances, and then talk about a new monetary order." This will not succeed even in removing the imbalances and is not a substitute for step-by-step reform of the exchange rate system.

Lombard

A mountain of apples

By Peter Montagnon

APPLE LOVERS of Europe, be warned. If you did not already know it, you have not been eating enough of the exquisite French variety, Golden Delicious. Until you mend your ways, supply of the other varieties you perversely seem to prefer, from such far flung places as Chile, Argentina, South Africa, Australia and New Zealand, has been curtailed by your lords and masters in Brussels.

The recent decision by the European Community (EC) Commission, to impose strict limits on the import of third country apples, has rapidly become something of a *cause célèbre* in international trade politics. This is being used by the outside world to illustrate fast growing fears about the way the EC could behave if it decides to raise the trade walls round "fortress Europe" when the internal barriers come down in 1992.

The 1992 discussions themselves, of course, have little to do with apples. Inside Europe the apple market is already more or less free, and there is no expectation that much will change here. But that does not mean that apples are a case apart. Critics say the EC move demonstrates an instinctive recourse to protection in the face of market difficulties, regardless of consumer preference or need for economic adjustment.

Action to protect domestic industries from surges of low-priced imports is traditionally permitted under the international trading rules enshrined in the General Agreement on Tariffs and Trade (Gatt). What makes the EC move remarkable, however, is that the normal criteria for such action simply do not apply.

It is not a matter of the European apple market wilting under predatory attack by foreign suppliers. According to New Zealand's figures, imported apples take a share of only 7 per cent of the entire market. Consumers seem to like them: they are prepared to pay more for fresh imported apples from the southern hemisphere during the northern spring than for the home-grown variety which by then comes out of store. There is simply no question of dumping.

The EC Commission action is almost certain to be challenged in the Gatt. Its defence – that apple imports showed signs of growing well beyond expectations this spring, at a time when European stocks were high and prices depressed after a good domestic harvest in 1987 – looks rather flimsy. But that is hardly reason for protective action to help the *small-time* apple growers of France and Italy. Their real problem is a home-grown surplus, not predatory imports.

It is all in peculiar contrast with the US trade bill vetoed by President Reagan last week, in its turn the cause of so much hullabaloo in Brussels. The trade bill may have been protectionist in spirit. It did give a mandate to the US Administration to force open other countries' markets under pain of sanctions. But nowhere did it speak of new physical restraint on imports.

Indeed, the one measure which would have curtailed imports (of lamb, as it happens, which is also a matter of concern to New Zealand) was weeded out by Congress in its conference discussion. Instead, the US International Trade Commission was simply told to monitor imports of lamb for the next two years.

Put into this perspective, the EC appears in a bad light. It is increasing its protectionist stance gratuitously, at a time when, together with its major trading partners in the Gatt, it is committed to rolling back protectionism – because of the Uruguay Round of multilateral trade liberalisation talks.

Lord Cockfield and the other Brussels luminaries of the 1992 internal market project are fond of saying that they do not intend it to lead to a "fortress Europe." EC curbs on apple imports make *this assertion as difficult to swal*low as a mountain of Golden Delicious. Unless a more consistent approach is adopted, the EC could rapidly find itself becoming the butt of international complaints about protectionism which, in the last couple of years, have been more commonly aimed at the US and Japan.

Letters to the Editor

Speculation down under

From Mr Peter Frankel.

Sir, The most important point in your editorial on the Australian May statement (May 26) is your warning of the negative effects an appreciating currency could have on the recovery process. In fact the situation is far worse than reported.

The Australian dollar is now wholly driven by speculation based on the excessive difference in interest rates obtainable in Australia as against the US and *most European Community* (EC) countries. Merchant banks, brokers and other players in the currency markets virtually tout the Australian dollar; it has become the sixth most traded currency. 20 times more Australian dollars are being traded daily than required for payment of goods and services: the A$ has been driven from a comfortable, realistic level of US$0.66 to an absurd US$0.81 – all this in the face of the never mentioned (still increasing) debt of A$120bn.

It represents the largest *per capita* debt – except possibly for New Zealand. At least 30 per cent of export income is now committed to servicing overseas borrowings.

The Australian Treasurer'e efforts to bring the domestic deficit under control are commendable. But unless Mr Paul Keating takes harsh measures almost immediately, including a deep cut in *interest rates* to *allow* the A$ to return to levels at which all exports can be revived, Australia will move *towards* a period of economic hardship unequalled in its colourful history.

The only way this calamity can be avoided is to get Australia off the currency speculators' list – by dampening their expectations, publicising the size and dangerous growth of the *debt*, and making exports again a national priority.

Peter Frankel,
Caixa Postal 1081,
2751 Cascais Codex,
Portugal

The UK's 'alibi society'

From Mr Nicholas A.H. Stacey.

Sir, Mr Michael Prowse's Lombard articla ("The Tyranny of Degrees," May 27) should be studied with interest – less because *it assails* sacred *academic* cows, more because it shows up a moral reluctance to make judgments about people and take the responsibility for having made them.

This moral unwillingness to judge translates itself into several aspects of national life: family, politics, criminal justice and so on. For some decades we have been living in Britain in what I term "an alibi society;" we have striven to avoid making judgements or, if *constrained* so to do, to be exonerated from the consequences by reference to touchstones – tradition, established norms; custom.

That is why, even after a graduate's second or even third job, the question of formal qualifications as opposed to the demonstrable track record assumes such weight in a job application.

I suspect "the alibi society" syndrome was partly encouraged *by* the *widespread* appeal of collectivist political notions. These have struck strong roots – particularly among tha *fonctionnaires* in public life – in institutions as well as in large companies. In carefully structured systems (some authoritarian, perhaps?) individualism is undesirable because it cannot be classified or measured. For *dirigistes* in particular *only* recognisable qualities are admissible – surface qualities which constitute the easily observable perfect alibi when making a choice between candidates.

Taking this type of *defensive* thinking a stage further reveals one of the more telling reasons for the widespread suspicion which has surrounded, and to a degree still surrounds, the UK entrepreneur.

I have long espoused the idea which is Mr Prowse's second gambit: that degrees and diplomas should have a defined life span; they should be renewable only on condition that their holders take recognised refresher courses every so often. It is a tribute to accountants that such a system was, I believe, initiated by them – although, on reflection, it is long established custom in the armed forces to send serving personnel on staff courses, exchange them to serve in other countries and send them to universities.

Perhaps lack of refresher courses for engineers and technicians has been one of the reasons why applied science in Britain has not been as dynamic as pure science. University scientists enjoy sabbaticals; scientist employees of companies rarely enjoy such privileges. This nonsense about "the best people cannot be spared for a while" should be exploded; it is an alibi for employers who do not want to spend money on education.

The question of "refreshers" – learning new ways and methods, leading to a broader outlook – is a national problem. The Department of Education and Science might consider this in its current *laudatory* phase *of innovative* departures. In the meantime, congratulations to Mr Prowse for raising these taboo subjects.

Nicholas A.H. Stacey,
Reform Club,
Pall Mall, SW1

My tongue is the pen of a ready writer . . .

From Mr R.T.D. Wilmot.

Sir, I was saddened to see such a highly regarded architectural correspondent as Mr Colin Amery described by such a well liked man as Mr Peter Palumbo as "speaking with a forked tongue" (Letters, May 28).

Certainly Mr Amery's article (May 23), which supported refurbishment of the Mansion House Square site, differed from his earlier article (June 22 1987); but this indicates his ability to keep in touch with public opinion, which has moved overwhelmingly over the past 12 months in favour of refurbishment.

As a church warden of St Mary le Bow I keep closely in touch with *City of London* workers in our parish, among whom destruction of the much loved eight buildings on the site is frequently discussed. I have been astonished by the strength of local feelings of dismay at the thought of the current public inquiry over-ruling the City Corporation's refusal to grant planning permission.

R.T.D. Wilmot,
13 Kylestrome House,
Cundy Street, SW1

From Mr Sam Briddes.

Sir, Mr Peter Palumbo (Letters, May 28) suggests that Colin Amery has written with a forked tongue about Mr Palumbo'a Mansion House Square site (May 23).

Not so. One of last year's pro*posals retained the familiar Map*pin and Webb building, and gained Mr Amery's approval, despite the destruction of some friendly old alleys and courtyards behind retained facades. The current proposal destroys both the Mappin and Webb building and the courtyards.

While we all sympathise with the administrative delays which have bedevilled *Mr* Palumbo's imaginative schemes, I feel that a majority will support Mr Amery's consisteot stand for retention of a well loved landmark.

Sam Briddes,
76 Boston Place, NW1

'The Council of Lloyd's should take another look at the Neill report'

From Mr Tom Benyon.

Sir, There are two areas where recommendations by Lloyd's, the society of insurance underwriters in London, fall far short of those put forward by the report, in 1987, of Sir Patrick Neill's committee, commissioned by the Department of Trade and Industry to look at the self-regulation of Lloyd's.

Both can be highlighted by the dilemma of "Names" (members of Lloyd's) who face huge losses this year. The result of the market rule of "pay now, sue later," even though the Neill committee concluded that "this could be very damaging to a Name," is that Names must pay now settle claims which may not anbsequently be found to be their liability.

A Lloyd's working party has rejected the Neill proposal that where there is a dispute Names should be able to pay cash into the *Lloyd's central fund*, where it would be held while the law takes its course, on the grounds that "it is inappropriate for the central fund to be used in this way."

And again: the Neill recommendation 25 explicitly states that "a fair and efficient form of deficit clause should be made mandatory." This has been rejected by the Walker-Arnott working group, which has recommended that such a deficit clause should be voluntary. Such a decision seems to place the interests of agent's shareholders before the Names they purport to serve.

So today, losing Names – "liable down to their last waistcoat button" – will have to pay profit commission to limited liability agents on their other profitable syndicates, as there is no set-off to take account of losses. The agent's Income remains as steady as ever.

Even if agents volunteer (they won't) this clause, the changes will be too late to compensate those who have lost money this year.

So perhaps the Council of Lloyd's should take another look at the Neill report before accepting the working party'a recommendation on these two issues. In the meantime the agents might make some immediate gesture of financial support to their Names; without prejudice, of course.

Tom Benyon,
The Old Rectory,
Adstock,
Buckingham

FINANCIAL TIMES

Thursday June 2 1988

HK to introduce shareholding disclosure

BY DAVID DODWELL IN HONG KONG

THE HONG KONG Goveroment will tomorrow gazette laws whicb enforce the puhlic disclosure of shareholdings above 10 per cent in local companies.

The measures coincide with the publication today of a full review of the securities industry, initiated last October in the wake of the world stock market crash. This inquiry, led by Mr Ian Hay Davison, former chief executive of Lloyd's of London, is uoderstood to have recommended a 5 per cent trigger point for disclosure.

Details of his report will be disclosed this morning, but it is likely that the colonial administration will be keen to point to the disclosure lawe as evidence of a firm intention to improve its previously lax regulation of the securities industry.

After the four day closure of the Hong Kong Stock Exchange in October, international confidence in the local securities industry was badly shaken. Many will be watching closely in coming weeks to see bow energetically it introdnces the reforms that will be proposed in the review.

Hong Kong's Securities Commission, whicb is responsible for policing tbe industry, has since 1973 been advocating the introduction of public disclosure of shareholdings in companies. At present, predators can build a stake of up to 35 per cent in a company before being required to reveal their hand and launch a bid.

Proposals for reform, however, have met fierce resistance and made slow passage. The new laws are based on a draft bill presented more than a year ago.

The laws will also require large shareholders, or executives in listed companies, to notify within five days transactions involving more than 1 per cent of a company's issued capital.

They embody powers to investigate companies which are shareholders, and to force disclosure of the beneficial ownership of nominee boldings. Voting rights can be suspended if a nominee refuses to give details of beneficial ownership.

Mr Ray Astin, the Securities Commissioner, said yesterday: "It has been a long uphill task."

Asked why the 5 per cent trigger to be recommended in Mr Hay Davison's Securities Industry Revlew bad not been endorsed, Mr Astin said 10 per cent was "an initial figure, from which we have power to change." He added: "Even in the UK, disclosure fell to the 5 per cent level in two stages."

The laws, which should be in place before July 20 when the current session of Hong Kong'e Legislative Councll comes to a close, will not apply to Hong Kong quoted companies that are incorporated overseas. This affects 17 companies, including all of those in the Jardine Matheson group, which are inrorporated in Bermuda. Listing rules are being amended to close this loophole.

Victor Mallet reports on a gap between words and deeds as Angola seeks to join the IMF

Starting late on the road to reform

MR ANTONIO Ferreira Neto, the Angolan Healtb Minister, was studiously ignoring demands for facts about the cholera epidemic raging in the capital Luanda. Instead, he spoke at great length to the journalists gathered in bis office about government efforts to train people in bygiene.

A Brazilian reporter, newly returned from a toilet in the huilding, was outraged. Why, she asked, were the Health Ministry toilets filthy? Why was there no toilet paper or running water? Why, she could have added, were there beaps of uncollected garbage rotting in the street outside?

Unnerved, the Health Minister did something many of his foreign rounterparts might hesitate to do in front of the media. He lit a cigarette. The chasm between Angolan bygiene policy and practice was painfully obvious.

It is a lesson to be applied elsewbere. Angola's mucb-vaunted economic reform programme appears to be suffering from a discrepancy between words and deeds which is equally damaging. At best it could be said that the pace of reform has unexpectedly slackened.

This year, as tbe slogans never fail to remind you, is Year One of Economic and Financial Recovery. Battered hy civil war, low prices for its oil exports and the bunching of foreign debt repayments over the next few years, Marxist-Leninist Angola has applied to join the International Monetary Fund. It ls the last African country to do so.

To back up its IMF application – which is opposed for political and ecooomic reasons by the US – Angola has launched a recovery plan along classical African lines.

Private enterprise and foreign investment are to be encouraged at the expense of inefficient state corporations, fiscal and monetary discipline will he imposed and the currency is to be devalued. *Perestroika* in eastern Europe is a favourite topic of discussion among Angolan intellectuals.

The prohlem, according to the Government's western douors, is tbat there is more talk tban action. "There are just exhortations to tbe people to work harder and produce more," says one western diplomat based in Luanda, "hut nothing really concrete has been said that they can act on."

Daily life in the filthy streets of the capital is much as it was two years ago. Wltb the currency worth about 70 times less than its official value, most people barter for their purchases on the black market with bottles of beer as a means of exchange. Party members and government workers have access to special shops.

The road to the curreot programme known as SEF (Saneamento Economico e Financeiro) was prepared by the ruling party's reformist second congress in 1985. Some of the more bardline leftist members of the Government were pusbed into the back ground at the time.

Today, however, Angola (like Zambia before it) seems to be putting the brakes on lts reform drive long before any significant goals bave been achieved.

Two leading reformists were sacked from the SEF secretariat in March, apparently for being too outspoken, and have since returned to their old jobs in the Finance Ministry and the central bank. They are Dr Jose Cerqueira, a French-trained economist once described as an Angolan yuppie, and Mr Mario Nelson. Nor have all the draft laws associated with the recovery programme been approved on scbedule by the Government for rubber-stamping in the People's Assembly.

President Jose Ednardo dos Santos, although an enthusiastic proponent of reform, is constrained by the reluctance of the party faithful to sacrifice privilege and ideology for the sake of economic progress. "It's too early to speak about the results of the programme," he says. "The results of SEF will be gradually achieved as we carry out concrete measnres."

There is one region of Angola much further down the path of reform than the others. It is the so-called Fifth Region, comprising the southern provinces of Huila, Namibe and Cunene and run by the reform-minded ex-Prime Minister Mr Lopo do Nascimento.

Although gravely affected by the war this region has become a sort of Angolan economic laboratory striving to break away from the centralised stranglehold of the capital. Already the area's agricultural, industrial and fishing potential has attracted about $150m worth of promises in foreign aid, mncb of it from the European Community.

In the past few weeks a private snack bar has opened in the town of Lubango, an almost unheard-of event in Angola. With the help of private traders, commercial purchases of maize in Huila Province rose six-fold last year to 30,000 tonnes, according to the local government.

Marketeers – theoretically they are black marketeers – ply their trade in the open as if they were in any other African country. The local currency, tbe kwanza, has much higher huying power in Lubango because more goods are available.

Mr Amaral Batista, a deputy of Mr do Nascimento and a friend of Dr Cerqueira, ls remarkably frank about the mistakes of the past 13 years and about the advantages his region enjoys, including a higher proportion of Portuguese businessmen and farmers wbo stayed behind after independence.

Transport, he says, must be privatised. But strategic industries such as beer will remain in governmeot hands.

"The objective is to integrate the black market," he says. "For the moment people have to survive. If they have no shoes it's better that they get shoes on the black market than not at all."

Angola has started late on the road to economic reform and it probably has further to go than any other African country. A snack bar and a thriving market make a small beginning.

Dos Santos: constrained by the party faithful

Lee: a 'fair way'

Lee signals willingness to end row with US

By Roger Matthews in Singapore

MR LEE KUAN YEW, Singapore's Prime Minister, yesterday signalled his willingness to bring a halt to the row with the US and proposed the establishment of an independent trihunal to determine whether American diplomats had been interfering in his country's domestic politics.

The US has consistently denied any involvement in Singapore'e politics and responded to the expulsion of a member of its embassy staff by ordering out a Singapore diplomat from Washington. Singapore has accused State Department officials of encouraging opposition lawyers to run as candidates in the general election expected later this year.

Mr Lee's remarks, made during a speech of nearly twu hours to parliament yesterday, were in sharp contrast to those made by two senior ministers the previous dey. They had warned of possible cuts in US representation levels, the adoption by Singapore of a more non-aligned stance, and the expulsion of some foreign journalists.

Mr Lee explained that while younger ministers wera "astounded and angry" at the interference by a very close friend, his own generation tended to take a "more philosophical, if cynical, view."

The Prime Minister said that although he would not press the issue of an independent tribunal of experts to resolve the dispute, he put it forward as a "fair way to put an end to the matter."

Mr Lee said Singapore did not wish to pursue the point until there was a rupture in bilateral relations. He thought that local feelings would abate

He said he was convinced of the benevolence of US power but, with the best of intentions, it sometimes ended up doing harm instead of good to its friends.

THE LEX COLUMN

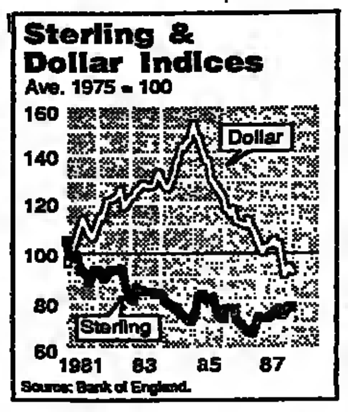
High Marks for latest craze

As none of the things deemed to influence sterling changed yesterday, it was odd to hear traders talking about the pound in a way that would have been inconceivahle a day earlier. Now, the issne seems to be bow the anthorities should best act to smooth tbe pound'e fall, rather than to arrest its rise. Suddenly, all the arguments for sterling heing too strong are getting a bearing; bnt only because good West German growth figures have made the DM the currency of the moment, and with the dollar strong, the pound has been the obvious currency to switch out of.

Because yeeterday'e fall occured largely by default, it would be particularly daring to call this the turn. In any case, a 3 pfennig move was probably not enough to make the market forget how much money it made on tha way up by playing cat and mouse with the Government over its exchange rate policy. Nevertheless, the gilt market apparently believes the Government's policy dilemma hae been resolved, for the moment at least. Tbe fall in tbe sbort end suggested an early rise ln base rates, while the rise in the long end demonstrated how welcome such a move would be to the economy.

Maybe the prospect nf such counter-inflationary moves on both sides of the Atlantic was also behind the rise in equities in the last two days. More likely though, it was another hlind lurch by a market that is still going nowhere.

Sterling & Dollar Indices
Ave. 1975 = 100



Source: Bank of England.

A.G. Stanley

Never mind all the debate about whether dustbins are better sold on the High Street or out of town, the real issue in the Ward White bid for A.G. Stanley was price. Faced with an offer worth £103m, A.G. Stanley argued that Ward White's plan for combining its two chains and selling only high margin items would be disastrous for the company. But yesterday's offer of an extra £27m was a different story altogether: Stanley's managers have been won round to tbe extent of apparently being willing to join the Ward White board and carry out the bidder's "misconceived" strategy themselves.

In fairness, it is hard to see how they could have refused an offer of almost 30 times last year's earnings. Moreover, the actual differences in the rival DIY strategies will probably prove minimal ouside the confines of bid document warfare. By contrast, the turnaround hy Ward White's shareholders yesterday is a real puzzle. While the shares have fallen some 10 per cent since the first bid was made, the prospect of Ward White paying still more for Stanley was met with a 10p rise to 299p.

Beazer

Judging by the performance of the share prices of Beazer and Koppers yesterday, what has almost certainly been the most acrimonious trans-Atlantic takeover battle appears to be well nigh over. However, Beazer's other battle – convincing a sceptical UK investment community that it was right to bet the company in its biggest and most daring takeover bid to date – is a long way from being won. Beazer shares have fared dismally in one of the best performing sectors of the stock market this year, and notwithstanding Beazer's 7p rise to 175p yesterday, the shares are still selling on a prospective multiple of 7¼. In the short-term Beazer has to demonstrate that it can get decent prices for tbe parts of Koppers which it has to sell, and realise the promised cost efficiencles. But rising short-term interest rates yesterday underscored the City's other major concern – Beazer's beavy debt load – and bowever adept its management may have been in circumventing Koppers' legal hurdles, a serious US recession could still wreak havoc with the best laid plans.

Carlton

Carlton Communications is one of those media companies which no one had heard of a couple of years ago, but it has now dislodged the likes of Saatchi & Saatchi both in terms of stock market capitalisation and investor following. Whereas Saatchi's star has fallen so far that it is now selling at less than 8 times prospective earnings and yielding a hefty premium to the market, Carlton's shares are trading at close to 20 times prospective earnings and offer a token yield. For the moment, Carlton seems capable of doing no wrong. A 59 per cent rise in interim pre-tax profits to £21.2m shows that the group is continuing to profit from the rapid deregulation of European broadcasting, and given that the penetration of the independent programme makers is minnte compared with the US, there is still plenty of growth to shoot for. Perhaps the only real worry is that it wants to become a broadcaster itself, and this brings obvious conflicts of interest as well as benefits.

Henderson

Henderson Pension Fund Managers has decided its response to last October's crash. Short-termism is out, and a long-term perepective will be reasserted. To begin with, Henderson will abandon quarterly reports and produce only rolling twelve-monthly reviews, although no doubt its client funds will continue to receive quarterly data from independent measurement services.

With almost £5bn under management, Henderson is the natural leader of the group of independent pension fund managers which have emerged during the 1980s to grab a significant slice of business from the merchant banks. The formula has included active management, a high equity proportion and above-average overseas exposure. For many years it worked splendidly, but 1987 was dreadful.

The problem was, according to Henderson, that managers were unable to take contrary views last year for fear of a bad quarter relative to other managers. Everyone ran with the herd. But this seems to come close to blaming the clients for a tendency to nverreact to quartarly performance numbers, rather than the managers for not being able to assess the value in the equity market. In this business, however, the clients are always right. Perhaps Henderson now reckons that pension fund trustees have been scarred by the crash as much as the fund managers. So here comes long-termism, and a good thing too for everybody except stockbrokers.

Unions abandon fight to block Rowntree takeover

BY DAVID WALLER IN LONDON

UNION LEADERS representing 6,000 of the 13,000 workers at Rowntree, the UK sweet manufacturer, yesterday abandoned their fight to keep the company independent in the face of rival takeover bids from Nestlé and Suchard.

At a meeting in York, the shop stewards from the GMB general union – the largest of the three unions representing Rowntree's 9,000 process workers – agreed to write to Mr Kenneth Dixon, Rowntree chairman, urging him to start talks with either of the two Swiss companies with a view to arranging a friendly takeover.

Mr David Williams, GMB's national officer for the foods industry, said the move was prompted hy a realisation that tbe battle for Rowntree had degenerated into an auction.

The longer the hoard left it to recommend an offer, Mr Williams argued, the higher the price the predator would have to pay. The higher the price, the more jobs would have to be cut before the the acquisition began to make financial sense to the eventual owner.

Mr Dixon, who begins the first of a series of presentations to institutional shareholders today, is set to reply to the letter by saying that the interests of employees are "very much uppermost in (bis) mind". However he is unwilling to commeot on whether talks with Nestlé or Suchard are planned or indeed whether they have taken place already.

Beazer wins control of Koppers with $1.7bn bid

BY JAMES BUCHAN IN NEW YORK

BEAZER, the UK housebuilding, building materials and contracting group, is poised to double its size with the $1.72bn acquisition of Koppers, tbe US aggregates and chemicals rompany.

Beazer, which has grown more than 10-fold in five years of aggressive company acquisitions, said yesterday that it had reached agreement to buy Koppers for $61 a share. The agreement, which was approved at a lengthy board meeting at the Pittsburgb- based company, closes one of the fiercest takeover hattles in recent US corporate history.

The purchase of Koppers, whicb reported earnings of $70m on revenues of $1.51bn in its last full year, will give Beazer a powerful hold on the growing US market for materials for road repair and maintenance. Beazer has said that it will sell Koppers' smaller chemical operations.

Mr Brian Beazer, chairman of the Bath, west of England based company, said: "Now that the drama has ended, we are looking forwared to getting on with the job – putting together a world class aggregates company."

Yesterday'e unanimous approval of the merger by Koppers' directors brings to a close three months of hitter hostility between the twn companies. Under Mr Charles Pullin, chairman, the 81-year-old company fought to protect its independence, blocking Beazer in the Los Angeles and Pittshurgh conrts and lobbying vigorously among local officials and Congressmen.

But the company could not muster a rompetitive counter-offer and by last week nearly 78 per cent of its stock had been tendered.

●Tate & Lyle, the UK sugar refiner, closed its tender offer for US corn syrup group Staley Continental after receiving acceptances for 97.6 per cent of ordinary shares. The $1.48bn (£813m) takeover is due to be completed within a week.

Japanese external investment up by half

By Stefan Wagstyl in Tokyo

Japanese direct investment overseas in the year to March soared hy 49.5 per cent, to a record $33.36bn, reflecting both the appreciation of the yen and increasing friction in international trade.

The rise was particularly marked in tbe US, where investments rose by 45 per cent to $14.70bn, or 44 per cent of the total. Over the period the yen appreciated against the dollar by about 15 per per cent, making dollar denominated assets increasingly cheap for Japanese purchasers.

Investment to the UK leapt by two and a half times to about $2.5bn, mainly due to moves by Japanese financial companies to boost the capital of their London subsidiaries.

Financial and insurance companies accounted for 32 per cent of the total outward investment, roughly the same proportion as in the previons two years. Property accounted for 16.3 per cent, with 80 per cent of real estate investments being made in the US. Altogether some 75 per cent of the total was in non-manufacturing sectors, including areas such as transport. The large non-manufacturing component principally, bowever, reflects the axpansion of Japanese financial companies in overseas financial centres.

Manufacturing investment was also, bowever, bnoyant, rising by 2.1 times as companies looked to establish plants abroad because of the appreciation of the yen. This belped to boost direct investment in Asia by 2.1 times to $4.9bn.

For its part, foreign investment in Japan soared by 2.4 times in the year to March, to a record $2.21bn.

Sterling drops sharply

Continued from Page 1

In London, Prices of long-dated gilts, which bad fallen carller in the day, closed higher.

Shares in New York continned to rise strongly yesterday, with the Dow Jones Industrial Average closing np more than 30 points.

Wall Street seems to have been encouraged by the bellef that the Federal Reserve, the US central bank, wnuld not raise interest rates.

This is despite the fact that the Fed Funds rate, the rate of interest at whicb commercial banks borrow from each other and the one closely monitored by the Fed, has increased by one percentage point to abont 7⅓ over the past month.

The Fed is concerned that a strong US economy might fuel inflation. Yesterday, the US tbe index of leading indicators showed n rise of 0.2 per cent in april, suggesting that growth in the US conttoued to he huoyant.

Baker unveils debt plan to help poorest countries

BY LIONEL BARBER IN WASHINGTON

MR JAMES BAKER, US Treasury Secretary, yesterday unveiled a debt initiative to help the world's poorest countries, many of them in sub-Saharan Africa.

Mr Baker said the US was prepared to support concessional interest rate reschedulings and to stretcb out debt repayment within the forum of the Paris Club, the informal group of Western creditor nations. Budgetary constraints meant that the US could not on its own offer concessions on interest rates or repayment periods.

The proposed expanded range of debt relief options would provide "substantial new relief" to the poorest countries, Mr Baker said at the annual meeting of the African Development Bank (ADB) in Abidjan, Ivory Coast.

Mr Baker's speech signalled a new flexibility on the part of the US towards the poorest countries whose chronic balance-of-payments prohlems caused hy drought, famine and slumping exports, make them a special case among debtor countries.

Mr Baker, the first US Treasury Secretary to address the ADB made clear that the initiative did not amount to a generalised approach which could be applied to the middle income debtors of Latin America. "It is a special technique available to assist only the poorest of the poor in a further effort to support their return to stability and growth."

Foreign debt in Africa, described as the world's poorest region, is estimated at $218bn.

Mr Baker's plan follows an initiative by Mr Nigel Lawson, the British Chancellor of the Exchequer, whose proposals were criticised by the industrialised countries because they contained an element of debt forgiveness.

WORLD WEATHER

		°C	°F			°C	°F			°C	°F			°C	°F
[illegible]	F	[illegible]	[illegible]	[illegible]	R	[illegible]	[illegible]	Malta	S	31	[illegible]	Rhodes	S	[illegible]	[illegible]
Algiers	S	[illegible]	81	Edinburgh	F	15	[illegible]	Manchester	[illegible]	14	[illegible]	Rio de Jo	C	[illegible]	[illegible]
Amsterdam	C	16	61	[illegible]	S	[illegible]	84	[illegible]	R	[illegible]	86	Rome	F	[illegible]	81
Athens	S	26	[illegible]	Florence	R	18	64	[illegible]	S	18	64	[illegible]	C	13	[illegible]
Bahrain	C	39	[illegible]	[illegible]	F	[illegible]	63	Mex. City	F	[illegible]	[illegible]	San Francisco	F	18	64
Bangkok	C	[illegible]	[illegible]	[illegible]	C	[illegible]	70	Miami	R	[illegible]	90	Seoul	R	17	53
[illegible]	S	[illegible]	[illegible]	Geneva	C	[illegible]	61	[illegible]	S	[illegible]	[illegible]	Singapore	R	31	88
[illegible]	F	[illegible]	[illegible]	[illegible]	S	[illegible]	[illegible]	[illegible]	C	[illegible]	[illegible]	[illegible]	R	[illegible]	[illegible]
Belfast	C	[illegible]	[illegible]	[illegible]	R	14	[illegible]	Moscow	F	[illegible]	[illegible]	[illegible]	C	17	62
Belgrade	R	19	[illegible]	[illegible]	C	[illegible]	[illegible]	[illegible]	C	14	[illegible]	[illegible]	C	19	[illegible]
Berlin	C	[illegible]	64	[illegible]	C	14	[illegible]	[illegible]	F	[illegible]	[illegible]	[illegible]	R	[illegible]	[illegible]
[illegible]	C	[illegible]	61	[illegible]	F	31	[illegible]	[illegible]	F	[illegible]	[illegible]	[illegible]	S	[illegible]	[illegible]
[illegible]	F	[illegible]	91	Innsbruck	F	[illegible]	[illegible]	[illegible]	R	[illegible]	[illegible]	Tel Aviv	S	[illegible]	[illegible]
[illegible]	C	19	66	Inverness	F	14	[illegible]	New Delhi	C	40	[illegible]	Tenerife	F	24	75
Brussels	F	17	[illegible]	[illegible]	C	[illegible]	[illegible]	New York	S	[illegible]	[illegible]	Tokyo	C	24	75
[illegible]	R	16	61	Istanbul	F	[illegible]	[illegible]	[illegible]	S	[illegible]	[illegible]	[illegible]	C	[illegible]	86
B. Aires	C	10	[illegible]	[illegible]	C	[illegible]	[illegible]	[illegible]	F	31	[illegible]	Tunis	S	[illegible]	[illegible]
Cairo	F	[illegible]	51	Jersey	C	15	[illegible]	[illegible]	S	[illegible]	[illegible]	Valencia	S	[illegible]	[illegible]
Cape Town	S	19	[illegible]	[illegible]	F	19	64	[illegible]	C	21	[illegible]	Venice	C	15	[illegible]
Caracas	C	30	[illegible]	Lima	C	21	[illegible]	Paris	C	[illegible]	[illegible]	Vienna	F	16	61
Casablanca	F	24	75	Lisbon	C	23	[illegible]	Peking	F	[illegible]	[illegible]	[illegible]	R	16	61
[illegible]	S	21	70	London	F	13	[illegible]	Prague	F	[illegible]	[illegible]	[illegible]	S	[illegible]	75
Chicago	F	[illegible]	63	Los Angeles	F	[illegible]	[illegible]	[illegible]	C	10	[illegible]	Zurich	C	15	59
[illegible]	C	16	64	Luxembourg	F	14	[illegible]								
Copenhagen	R	23	[illegible]	Madrid	F	[illegible]	[illegible]								
Corfu	-	-	-	Majorca	S	23	[illegible]								
Dallas	C	13	[illegible]	Malaga	-	-	-								
Dublin															

Readings at mid-day yesterday

C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

Change of leadership at Sun Life of Canada

A NEW chairman and chief executive officer has been appointed to head the worldwide operations of Sun Life Assurance Company of Canada, one of the world's largest life assurance companies.

He is Mr John D. McNeil, formerly deputy chairman, who succeeds Mr Thomas M. Galt, chairman for the past 15 years at the corporate headquartars in Toronto, Canada. Mr Galt retired last month after 40 years with the company.

Mr McNeil, 54, emigrated to Canada from the UK in 1956 and joined Sun Life of Canada's investment department in Montreal, becoming assistant treasurer in 1962.

A chartered financial analyst, Mr McNeil subsequently left the company to work in the toutual funds industry. By 1972, he was president of a mutual funds company, and later moved oo to become vice president of investments at the Bank of Montreal.

Mr John D. McNeil

He rejoined Sun Life of Canada in 1979 as vice president of securities investment. In 1985, he was named an executive vice president of the company, and last year was made deputy chairman. He becomes the eighth chief executive in the company's 117-year history.

* * *

MORGAN Stanley, a leading New York-based international investment bank, has appointed Mr Nick Bubb to its equity research department in London.

Mr Bubb, an Oxford graduate, was a senior research executive at Citicorp Scrimgeour Vickers, heading tha retail team which has been consistently top-ranked by the Extel Survey. He was ranked top analyst in the stores sector by the Institutional Investor poll in January this year.

ANZ Banking appoints group chief economist

AUSTRALIA AND New Zealand Banking has appointed Mr Andrew Mohl group chief economist, Mr Will J. Bailey, group chief executive, announced.

Mr Mohl replaces Dr R.J. (Bob) Edgar, now group executive, strategic planning and economics.

Previously senior economist with ANZ in Melbourne, Mr Mohl has also worked in various capacities with the Reserve Bank of Australia and the Federal Reserve Bank of New York.

In New York, he was involved with analysis of international financial markets and, in particular, third world debt problems and innovations in Euromarkets.

* * *

MORGAN Guaranty Trust, fifth largest US bank, announced that Mr David D. Burrows, a vice president of the company, has been appointed to head the Commercial Division of the Euro-clear Operations Centre in Brussels.

He succeeds Mr H. Henning Tonsmann, who is resigning to accept a position with Deutsche Bank in Frankfurt.

The Euro-clear System, which is operated by Morgan Guaranty under contract at the Euro-clear Operations Centre in Brussels, is the world's largest organisation for the settlement of trades in international securities.

Mr Burrows joined Morgan Guaranty in 1974. Before moving to the Euro-clear Operations Centre last August, he managed relationships with multinational energy companies at Morgan's headquarters in New York.

Presidential switch at Mitsui Engineering

ONE OF Japan's leading shipbuilders, Mitsui Engineering and Shipbuilding, announced that Mr Yasunosuke Ishii, its senior managing director, will be promoted to president, succeeding Mr Isshi Suenaga, who will become a director and senior adviser, Kyodo reports from Tokyo.

The changes will be approved at a board meeting to be beld towards the end of this month after a general meeting of shareholders, company officials said.

The company has suffered from the protracted slump in the shipbuilding industry. It is expected to try to increase profitability under Mr Ishii's leadership.

* * *

JAPAN'S central bank, The Bank of Japan (BOJ), has appointed Mr Rei Masunaga director of its foreign department, replacing Mr Makoto Tanji.

Mr Tanji has been named director of the personnel department. Mr Masunaga was formerly an adviser in international finance to the BOJ governor.

* * *

TOKAI BANK is to promote vice president Mr Kiichiro Itoh, 59, to the post of president. Incnmbent president and chairman Mr Ryuichi Kato will become solely chairman. The decision will be officially approved at a board meeting on June 29.

Chairman named for US-Japan Business Council

THE US-JAPAN Business Council has named as its new chairman Mr Henry Wendt, who is chairman and chief executive officer of SmithKline Beckman, a worldwide life sciences and health care corporation based in Philadelphia.

Organised in 1971, the Business Council includes some 70 top business leaders in the US and an equal representation from Japan.

Through its annual meetings, sponsorship of special studies and other activities, the Council serves in a business advisory capacity on US-Japan economic relations to the US and Japanese governments; provides a national forum to propose solutions to problems within the bilateral economic relations; and stimulates commercial relations and contacts between the two business communities.

Mr Wendt succeeds the late Mr James E. Olsoo, who was chairman of the board of AT & T. "We are at a crucial juncture in US-Japan relations," Mr Wendt said. "The nature and direction of the ecooomic dimensioo of this important bilateral relationship is of supreme importance to the healthy future of both countries."

Mr Norishige Hasegawa, director and counsellor of Sumitomo Cbetoical, leads the Council's autooomous counterpart, the Tokyo-based Japan-US Business Council. Mr Wendt and Mr Hasegawa will chair the 25th annual Japan-US Business Conference, to be held July 10 to 12 in Tokyo.

Directors for Marsh & McLennan

SHAREHOLDERS of US-based Marsh & McLennan, the world's largest insurance brokers, elected at the company's recent annnual meeting three new board directors, Mr Frank J. Tasco, chairman of the board, announced.

They are Messrs Frank J. Borelli, Peter Coster and Philip L. Wroughton.

Mr Borelli is senior vice president and chief financial officer of Marsh & McLennan. Prior to joining the group in 1984, he was with BOC Group Inc (formerly Airco) as senior vice president, finance and administration.

Mr Coster is president of William M. Mercer, the global employee benefit, actuarial and compensation consulting subsidiary of the group.

Mr Wroughton is chairman of Marsh & McLennan Bowring Ltd., which conducts Marsb & McLennan's insurance broking activities outside of the Western Hemisphere and Japan. He is also chairman of C.T. Bowring Ltd., another offshoot of the group.

Accountancy Appointments

FINANCIAL MANAGER

FINANCIAL SERVICES – H.Q. ROLE

London £25-£30,000 + car and housing allowance

An expansion orientated financial services group, seeking to ensure a continued well managed growth pattern, wishes to recruit a financial manager.

As a young qualified accountant, initially responsible for the management reporting and financial accounting of a specific business area, you will be expected to become fully acquainted with all aspects of the business. A pro-active style is sought since you will be assisting in the initiation and implementation of strategic and long term planning. Furthermore, significant MIS imput will be necessary.

After a successful initial period, the position will develop into a group role.

If you have two years post-qualification experience, a mature outlook allied to the abilities of informing and persuading, and wish to build on your natural interest in investment markets, write to James Forte, enclosing full career details and quoting reference P1422.

KPMG Peat Marwick McLintock
Executive Selection and Search
9 Creed Lane, London EC4V 3PD

TALENTED ACCOUNTANTS WITH AN OBSESSION FOR QUALITY...

£26,000 + Bonus + Car + Benefits

Federal Express UK is part of the US based Federal Express Corporation which leads the world in express package movement services. Federal Express worldwide employs over 40,000 people, using a large fleet of DC10 and Boeing 727 aircraft and road vehicles, to provide an international distribution service to over 80 countries.

We are committed to providing the highest standards of customer care and service, combining outstanding products and the latest technology with our key resource – People.

As part of our planned programme of growth we need two outstanding accountants to become integral parts of our senior management team in the Priority Services Division. Their achievements will have a high profile.

CHIEF FINANCIAL ACCOUNTANT

Reporting to the Director of Finance you'll have full responsibility for the financial accounting and reporting functions. Duties include ensuring strict financial control and reporting procedures are adhered to, as well as enhancing and innovating as the Company grows. Don't apply if all you can offer is the ability to maintain systems and provide adequate accounting support; we need original thinkers with excellence in mind who lead their staff towards it – self-starters who know there's a better way and make it happen. In addition to being technically competent in all areas relevant to a Controller position, you'll need highly-developed people skills, sustained drive and energy and above all an obsession with quality – the key ingredient of our success.

CHIEF MANAGEMENT ACCOUNTANT

The successful candidate will head up the management accounting function for the UK, reporting to the Director of Finance. Responsibilities include supporting the Operations function in reviewing and improving our performance; enhancing management information in the areas of product and customer profitability; ensuring the integrity of accounting at locations in a de-centralised environment; planning and implementing the accounting support for new depot openings; and controlling planning processes.
To make your mark in this role you will need to generate and manage change. Personal skills are vital, particularly the abilities to communicate effectively and prioritise issues in a fast-moving organisation.

Location: near our parcels sorting Hub in Warwickshire. Full re-location expenses are available in addition to attractive packages which include a non-contributory pension scheme.

Write with full C.V. to John Green, Divisional Director – Finance, Federal Express (UK) Limited, Priority Services Division, Federal Express House, Bond Gate, Nuneaton, Warwickshire, CV11 4AL.

FEDERAL EXPRESS

HIGH GROWTH IN HIGH FASHION

Regent Street **£Excellent + Car**

Although relatively young, our client is already acknowledged as being a rising star on the fashion design and international merchandising scene. With a presence both in the UK and overseas, they are already able to demonstrate an impressive record of achievement – and the future appears even more exciting!

As a result, they are seeking to recruit a gifted Chief Accountant to guide them through this dramatic phase of development and beyond. Working closely with the Finance Director, you will play an integral part in recommending future strategies and provide a valuable directive to the organisations's growth plans.

To this end, your wide-ranging responsibilities will include:-

- **Operational control of the finance function**
- **Appraising informational needs and recommending initiatives**
- **Management and motivation of the accounting team**
- **MIS evaluation and development**

We seek a qualified accountant with substantial commercial acumen and a real desire to make things happen – and fast! Age is irrelevant, but creativity, drive and the ambition to make a positive contribution towards the success of an exciting young organisation, destined to become a household name, will all be essential attributes.

Think you're up to the challenge?

mh Then please write, enclosing a full CV, quoting Ref: 148, to **Charles Austin** or **Julia Church** at Mervyn Hughes International Limited, Management Recruitment Consultants, 63 Mansell Street, London E1 8AN. Telephone: 01-488 4114.

MERVYN HUGHES

FINANCIAL CONTROLLER

London SW1 **from £28,000 + car**

Dramatic growth, both organically and through acquisition, has made our client the major force in Public Relations in the UK. The spectacular success of the group has given it an enviable and deserved reputation of excellence.

The Finance Director of the UK operation now recognises the need to appoint a commercially experienced accountant aged 25-30 to manage and motivate a centralised accounting function of fourteen staff.

In a 'hands on' role but with regular contact with senior management of operating companies you will provide vital information and analysis for the establishment and control of budgets, forecasts and new products.

As a senior member of the central management team it is important that you have the interpersonal skills to command the respect of the Directors and all levels of staff.

Prospects are excellent – as evidenced by the group's development in recent years, and the range of benefits are as expected of a progressive group.

Please write, enclosing a full career/salary history and daytime telephone number, to John P Sleigh FCCA quoting reference J/704/FF

LLOYD MANAGEMENT Selection Consultants 125 High Holborn London WC1V 6QA 01-405 3499

LLOYD MANAGEMENT

UNITED TECHNOLOGIES ranks among the top twenty industrial corporations in the Fortune 500. It is a broad based designer and manufacturer of high technology products. European operations have expanded rapidly with over 50 acquisitions and new ventures in the last 6 years. European sales are approaching US $3 billion.

The European Audit Department, based in Brussels, is recognized as a training ground for United Technologies senior management of the future, and it can demonstrate an excellent track record of internal advancement.

As a result of internal promotions and expansion, the Department requires:

Audit Supervisor

c£38,000 + car

In addition to supervising up to 5 audit professionals in the conduct of financial and operational audits, the incumbent will assist in the management of the European regional office including budgeting, scheduling, training and recruiting. This position reports to the regional Audit Manager. Candidates should either be graduate Chartered Accountants or hold an MBA degree, aged 29-34 and have a minimum of 6 years relevant experience.

International Auditors

up to £30,000

Responsible for leading and participating in financial and operational audits of the European operations. Also responsible for drafting audit findings and presenting such findings to both local and divisional management. Travel content is around 70% with return from assignments to homebase at weekends. Candidates should be Graduate Chartered Accountants or hold an MBA degree, aged 26-29 and have a minimum of 3 years relevant experience. A second European language would be a distinct advantage.

These positions represent an excellent opportunity for high calibre individuals seeking a first move out of the accounting profession, or alternatively, a second move within industry, to obtain considerable top-level management exposure coupled with excellent career prospects in a top industrial multinational.

Interested applicants are invited to contact **Thierry Raickman on Brussels (010/332) 347 02 10 at Michael Page International, Avenue Molière 262, 1060 Brussels.** Alternatively, contact **Warwick Holland on London (01) 831 0431, or Charles MacLeod on Amsterdam (010/3120) 26 67 76, or Ivan Pacaud on Paris (010/331) 42 89 30 03.**

MP
Michael Page International
Specialists in Finance Recruitment
London Amsterdam Brussels NewYork Paris Sydney

FINANCIAL CONTROLLER

Highly reputed and rapidly developing financial services firm

City **c.£40,000 + car**

The exceptional growth record of our client – a prestigious City firm – has led to a progressive expansion and restructuring of its finance function.

Reporting to the Director of Finance, this newly created position will carry responsibility for all the main accounting functions of the firm at the head of a professionally qualified senior management team. The appointee will play a vital role in both the provision and the development of financial and management reporting to the firm's top management, and in ensuring that the finance department is in a position to meet new demands in a rapidly developing environment.

Professionally qualified candidates must offer a progressive career which has led to senior management responsibility for at least the last five years in a large, progressive financial or commercial environment. Key personal qualities are strong communication skills, an authoritative yet relaxed management style, an assured but undogmatic approach and the capacity to thrive in a high tempo, professionally demanding environment.

Please write in confidence, with full career details, quoting reference P1414/1 to Mike Blanckenhagen.

KPMG Peat Marwick McLintock
Executive Selection and Search
9 Creed Lane, London EC4V 5BR

MS

Financial Director

Canterbury **Package c. £37,000 + car & benefits**

Our client is Robert Brett & Sons Limited, a major privately owned group commanding a key position as suppliers of aggregates and related products to the building industry and with significant activities in civil engineering. The group turnover is £50 million and its employees number over 500.

We have been retained to advise on a replacement for the present financial director, who is retiring shortly. The successful candidate will be on the main board, which comprises a small group of active family directors and other specialists. Reporting to the group chief executive, his financial advice to this board will be a significant factor in the future success of the group. He will be solely responsible for the overall financial control of the group and the computer based monthly management accounts. Additionally, he will assume the role of company secretary and control the office support services and general administration.

The ideal candidate will be a qualified accountant, preferably around forty, computer literate and with relevant industrial experience. A proven ability to lead an accounting and administration team is essential, as is secretarial experience.

Considerable scope exists for personal development in a demanding and satisfying environment, working in a team dedicated to the further expansion of the group. An attractive initial remuneration package is offered.

Please reply in confidence, quoting reference no. 15346, with full career and remuneration history to:

Norman Farrant, Director, Executive Selection Division, Moore Stephens Associates Limited, 1 Snow Hill, London EC1A 2DH.

MOORE STEPHENS ASSOCIATES
MANAGEMENT CONSULTANTS

Operations Accountant

c£20,000+car + relocation

Cambridgeshire

As a young, ambitious, graduate ACA in your mid/late 20s, you will undertake a high profile role demanding exceptional investigative/problem solving skills. Ideally, you have gained experience of manufacturing industry, either within the profession or a commercial environment, and now seek a position offering considerable scope for initiative.

As a member of the operational accounting team, you will receive a broad based and structured introduction to the Group designed to ensure rapid promotion into a line management role within one to two years. During this period you will be expected to contribute significantly, especially in the areas of management systems, evaluation of projects and real-time computing systems.

In addition to your ability to work under pressure, you must also be able to demonstrate a high standard of literacy in interpreting and communicating key financial data to senior management and board levels.

This public Company is a diverse manufacturing group, committed to a programme of acquisition and organic growth which provides genuine opportunities to attain Financial Controller status.

If you are interested in being considered for this stimulating opportunity, please contact the Company's Adviser, Neil Jury-Manager, or send your CV to the address below, quoting reference: CM21.

MANAGEMENT PERSONNEL, Freepost, 14B Chequer Street, Half Moon Yard, ST. ALBANS, Hertfordshire AL1 3BR
Telephone (0727) 35116 (24 hours)

Management Personnel
RECRUITMENT SOLUTIONS
LONDON · GUILDFORD · ST. ALBANS · WINDSOR
NEWBURY · BRISTOL · CAMBRIDGE

هكذا من الأصل

FINANCE DIRECTOR

London £35-40,000 + car + benefits

Our client is a leader in direct marketing, offering a full range of services encompassing direct mail, printing and list management and numbering many of the UK's top 500 companies among its clients. It has an impressive growth record in turnover and profitability and is at the forefront in technology and service to customers.

A Finance Director is required, able to make a significant input to the company's future, which is likely to include a listing within the next twelve to eighteen months. The role requires energy and commitment and a confident, assertive personality, capable of independent decision making and of *working successfully with some* forceful individuals. All round technical accounting expertise should be combined with commercial acumen and familiarity with the City.

Candidates should be chartered accountants who should, ideally, have gained some post-qualification experience in a fast moving service industry although exceptional candidates direct from professional firms will also be considered.

Please write in confidence enclosing full career details, quoting ref. S8001, to Valerie Fairbank.

KPMG Peat Marwick McLintock

Executive Selection and Search

9 Creed Lane, London EC4V 5BR

APPOINTMENTS ADVERTISING

For further information call 01-248 8000

Tessa Taylor ext 3351

Deirdre Venables ext 4177

Paul Maraviglia ext 4676

Elizabeth Rowan ext 3456

Patrick Williams ext 3694

European controller

Surrey c£45,000 package

The European group of a young American computer corporation now requires a proven first rate Controller to firmly establish the financial function within each of its European subsidiary companies and for the group as a whole. Manufacturing and selling computer peripherals, the corporation's worldwide sales have achieved phenomenal growth with the European group on target to double its revenue to $50m this year with a repeat performance expected next year.

As a member of the European management team you will play your part in maintaining good business disciplines to cope with this rapid growth. Your job will be to develop a thoroughly professional financial function to provide accurate and timely accounts and management information. Your immediate task will be to ensure that comprehensive *systems and procedures are in place and that each country is adequately staffed* to provide a proper financial service to both corporate and local country managements.

Aged about 35 to 40 you must be a qualified accountant with at least 7 years high quality commercial experience. The package includes a base salary of not less than £40,000 plus an executive car and other benefits.

Please send résumés with daytime telephone numbers, which will be acknowledged and forwarded to our client unless a covering letter gives contrary instructions, to Chris *Haworth, Ref. CH941.*

C&L

Coopers & Lybrand Executive Selection

Coopers & Lybrand Executive Selection Limited

Shelley House 3 Noble Street

London EC2V 7DQ

Managing Director EMC Testing

New Business Opportunity

c £30,000 + car, etc.

A major venture capital organisation has identified a potential million pound market within the electronics sector. It now requires an energetic Managing Director *with drive and enthusiasm, probably aged 32-45,* who has a knowledge of electronics and EMC testing, to convert this opportunity into a profitable million pound business.

As the Managing Director, with a financial stake in the business, you will have total accountability for the operation including recruitment and green field start-up, customer development, design consultancy and customer training services.

Salary will be circa £30,000 plus car. Fringe benefits are those you would expect and include share options and relocation allowances. Please write in complete confidence, giving a full CV to date, including present salary, quoting reference MCS 0422 to: David Gibb,

Executive Selection Division
Price Waterhouse
Management Consultants
No. 1, London Bridge
London SE1 9QL

Price Waterhouse

Commercially Experienced Accountant

Manage and develop our complete Sales Accounting Function

£25-33,000 + Car Uxbridge based

As market leaders within the highly dynamic £3 billion soft drinks market, the effective management of our Sales Accounting Function *is critical to our continued success.*

The role of SALES ACCOUNTING ADMINSTRATION MANAGER will stretch you to your limits.

You will need to be creative, yet diligent, collegiate, yet single-minded, an operator, yet a strategist.

Responsible for 4 locations, and reporting to the Sales Accounting Controller, *you will have managerial responsibility for over 200 staff* dealing with 100,000 outlets.

Aged 35-45, you are likely to be a graduate, professionally qualified and with demonstrable commercial acumen together with sales accounting experience gained in a large, consumer-orientated organisation.

You must have had 'hands-on' involvement in the introduction and enhancement of systems, preferably IBM compatible. In addition you must be able to demonstrate the potential for advancement with Coca-Cola and Schweppes Beverages Limited.

A salary commensurate with experience and qualifications together with a range of benefits including • Quality Company Car • BUPA • *Relocation Assistance (if appropriate) are offered.*

Please write with full CV to Allan McGregor, Resourcing Manager, Coca-Cola and Schweppes Beverages Limited, Charter Place, Vine Street, Uxbridge, Middlesex, UB8 1EU.

COCA-COLA & SCHWEPPES Beverages Limited

Taxation Executive

Thames Valley around £40,000 (inc. bonus) plus car

This is an exceptional opportunity to develop policy and strategy "across the board" in a substantial international organisation. Our clients are a £1 billion plus Group in a modern "high-tech" industry. Dominating their market sector in the U.K. and with a significant overseas presence they are well placed to expand through the 1990's, both by organic growth and acquisition. The Taxation Executive supported by an experienced assistant will be expected to develop and implement a detailed tax plan for the Company, review existing inter-Company arrangements to minimise overall tax liability, establish procedures for assessing and complying with tax liabilities and be involved with the tax aspects of any major negotiations. Applicants should have had experience in a major international organisation supported by a relevant professional qualification and/or degree. The Company's "open" management style encourages a pro-active approach and good communication skills. Ref: 1661/FT. Write or telephone for an application form or send full details (with a day-time telephone number and current salary) to R.A. Phillips, ACIS, FCII, 2-5 Old Bond Street, London W1X 3TB. Tel no: 01-493 0156 (24 hours).

Phillips & Carpenter

Selection Consultants

Finance Director (Designate)

County Durham c £25,000 + Car

Our client is a small but highly successful and innovative group operating in the leisure sector, with a history of continued success and plans for significant future growth.

They now wish to appoint a Financial Controller, who will assume full responsibility for not only the accounting and data processing functions within autonomous business units, but also their *continued commercial development.* Reporting to the Managing Director and forming an integral part of the senior management team, the successful candidate will be expected to input significantly to *strategic and general management issues.*

Candidates, aged 30-40, should be qualified Accountants with a successful track record of achievement to date, gained preferably within a service environment and who can demonstrate a high degree of commercial awareness and flair, coupled with well developed communication skills and the ability to contribute positively to the group's future. A board appointment is envisaged in the medium term. Comprehensive relocation facilities are available where appropriate.

Interested applicants should contact Angela McDermottroe quoting Ref: L8445 at Michael Page Partnership, 25 Collingwood Street, Newcastle-upon-Tyne, NE1 1JE. Tel: 091-222 0545.

MP

Michael Page Partnership

International Recruitment Consultants

London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

---

GROUP FINANCE DIRECTOR

c. £50,000 + SUBSTANTIAL BONUS

Perry Group plc one of the leading quoted motor distributors is seeking a finance director to join its small senior executive team based at Hertford. The group is expanding rapidly and will, by the end of 1988, hold in excess of 20 vehicle franchises covering an area from Yorkshire to the South coast. The finance director will be a chartered accountant, ideally having a motor trade background with one or more substantial dealer groups. He will be expected to assist and advise the chief executive in developing group systems and controls and will liaise with banks and city institutions: he will be much involved with acquisitions and previous experience in this area is desirable.

The starting salary will be £50,000 per annum plus a substantial personal performance bonus. Additional benefits include 2 cars, non contributory pension and PPP.

Please contact Mrs. M. Wood on 0992 554188 for a copy of our 1987 accounts and an application form.

Stockbroking

Financial Controller

Bristol *c. £30,000*

A stockbroking group owned by a well respected plc with extensive involvement in the Financial Services Sector, seeks a financial controller for its rapidly expanding stockbroking business based in Bristol.

Reporting to the Group Finance and Operations Director you will manage the financial activities of the business ensuring that recently implemented financial controls and operational procedures are maintained. You will be primarily responsible for the development of management information systems and the regulatory reporting and legal requirements arising from the Companies Act 1985 and the Financial Services Act 1986.

Probably aged 25-30 you will be a qualified accountant preferably with a background in the financial services sector. Personal qualities must include proven management and leadership ability.

The remuneration package will include a company car, performance-related bonus and a non-contributory pension scheme.

Please send full personal and career details in confidence to *Tish Cole, quoting reference 5125/FT* on both envelope and letter.

Deloitte Haskins+Sells

Management Consultancy Division

P.O. Box 198, Hillgate House, 26 Old Bailey, London EC4M 7PL

Group Financial Controller

Financial Services

to £35,000+bonus London

Fast growing entrepreneurial publicly quoted company seeks a young, ambitious financial professional to play a key role in restructuring and further expansion.

THE COMPANY
- ◇ A young innovative financial services group with ambitious plans.
- ◇ Corporate restructuring creates this very attractive management opportunity.
- ◇ Turnover currently £1.8 million, highly profitable, fast growing.

THE POSITION
- ◇ Introduce and develop financial reporting and management information systems in a stimulating, fast moving environment.
- ◇ Contribute to strategic direction of the group following reorganisation.
- ◇ Acting as Group Company Secretary.

QUALIFICATIONS
- ◇ Graduate, qualified accountant, aged early 30's.
- ◇ Ideally experienced in accounting consultancy or financial services.
- ◇ Ambitious, energetic with good interpersonal skills.

COMPENSATION
- ◇ Attractive base salary, car, bonus and stock options potential.
- ◇ Prospects of early promotion to Group Financial Director.

N·B SELECTION LTD

Please reply enclosing your cv quoting Reference G2144 to:
54 Jermyn Street, London SW1Y 6LZ.

Recruitment and Personnel Services

The Financial Times proposes to publish this survey on:

22nd June 1988

For a full editorial synopsis and advertisement details, please contact:

Paul Maraviglia on 01-248 8000 ext 4676

or write to HIM at:

Bracken House
10 Cannon Street
London
EC4P 4BY

FINANCIAL TIMES

The Power Behind London

Financial Director

Holborn

LEB

highly competitive remuneration

As a result of privatisation plans the London Electricity Board is embarking upon extensive strategic and cultural change. Employing over 7000 people and with a turnover of £1 billion, the Board is looking to develop long term competitive advantage for the business by combining value for its future shareholders with quality service for its customers.

The Financial Director will play a crucial role in developing and implementing the LEB's privatisation strategy. This will include liaising with Government and financial institutions and building new functions, such as treasury and taxation. A key priority will involve the evaluation of options and opportunities, particularly with regard to joint ventures, acquisitions and diversification.

The appointment demands a high calibre Chartered Accountant, probably under 50, with extensive senior experience preferably gained in a substantial customer-orientated PLC. Candidates should demonstrate strong negotiating and management skills together with the sensitivity to bring about long term organisational change.

A comprehensive remuneratioo package has been designed to attract, reward and retain applicants of the highest calibre and will include a performance related bonus, a fully expensed company car and a pension scheme.

Please reply to Barbara Robertson, in strict confidence, with details of age, career and salary progression, education and qualifications, quoting reference 5090/FT on both envelope and letter.

Deloitte Haskins+Sells
Management Consultancy Division
P.O. Box 198, Hillgate House, 26 Old Bailey, London EC4M 7PL.

Health: The challenge of change

STRATEGIC FINANCIAL PLANNING MANAGER

Up to £27k plus benefits

This is a new position which will play a vital role in the development of health services into the 1990's.

Working within a small central core team and acting as deputy in the Finance Director, the responsibilities of the position will include:
- A broad range of projects associated with a rapidly changing environment.
- The production of strategic plans within a multi-professional setting.
- The review and input to operational plans and forecasts.
- The development of effective information and reporting system.

You will be an accomplished qualified accountant (probably aged 30-40) with excellent communication and inter-personal skills. Your previous planning and analytical experience will preferably be gained in a large commercial organisation or in the public sector. The prospects for your own personal and professional development will be exceptional.

The remuneration package will be a starting salary negotiable to £27k plus benefits including generous relocation assistance if required.

Please contact the Finance Director, Melvyn Esterman, on 01-672 1255 ext 52445 to discuss the position in more detail.

Further details and application forms, returnable by 17 June, are available from the District Personnel Department, Grosvenor Wing, St. George's Hospital, Blackshaw Road, London SW17 9ES. Telephone 24 hour ansaphone 01-672 5949 quoting reference F6. We are an equal opportunity employer.

WANDSWORTH HEALTH AUTHORITY

Financial Director

A strong commitment to growth – both organically and by acquisition – is central to the future of this consistently successful £30m turnover company which is already a highly regarded leader in its field.

Operating from a purpose built production and packaging facility – which is second to none – this marketing led company is a supplier of high quality food products direct to the consumer, in a market where efficiency of distribution is key to success. Additionally, there is an increasing demand from third parties, including major retailers, for the company's production expertise.

You will join a small executive team and being a good strategist and well versed in acquisitions you will be a major contributor to future policy and direction.

Your responsibilities will also encompass a sophisticated MIS operation, personnel, sales administration and company secretarial duties.

A qualified accountant, probably in your 30's, you must offer significant acquisition experience – preferably coupled with a successful USM flotation – in a career which demonstrates your strategic thinking capabilities.

This appointment – which offers an excellent executive benefits package – has a Central Southern England location.

Please forward a comprehensive CV to Dennis Fielding quoting **Ref MD1654 at Macmillan Davies Consultants, Salisbury House, Bluecoats, Hertford, SG14 1PU. Telephone (0992) 552552.**

'the USM & then acquisitions'

c. £45,000 + bonus + share option + car

Macmillan Davies
MANAGEMENT SELECTION

HIGH TECHNOLOGY MANUFACTURING ON AN INTERNATIONAL SCALE

GROUP FINANCIAL CONTROLLER

West Sussex **£30,000 + Executive Car**

Part of a leading international group dominating world markets in specialised market niches, our client is involved in the development, manufacturing, distribution and exporting of a range of measuring instruments and consumables to hospitals and industrial users.

Having laid the foundations for sustained and profitable growth within the UK, they are currently seeking to appoint a Group Financial Controller to help them realise this goal. Based at their Head Office in picturesque West Sussex and working closely with the General Managers of the Group companies, you will guide the group's autonomous UK interests through this exciting phase of development and beyond.

Enjoying high levels of decision-making autonomy, your wide-ranging responsibilities will include:-
- ☐ **Assessing market competitiveness and implementing future strategies**
- ☐ **Liaising closely with the overseas parent**
- ☐ **Systems evaluation throughout all UK operations**
- ☐ **Investment appraisal and treasury management**
- ☐ **Redefining and setting objectives for the entire accounting function**

This strategic position would ideally suit e qualified accountant with substantial experience, who is seeking to make a long-term career move to a progressive, constantly evolving organisation. It is likely that the appointee will be able to demonstrate experience of working within a Group structure, together with exposure to an international organisation. A manufacturing industry background would also prove advantageous.

mh

A highly competitive salary will be supplemented by an executive car and a comprehensive range of benefits. Please write, enclosing a full CV, quoting Ref: A144, to **Simon Hewitt** at Mervyn Hughes International Limited, Management Recruitment Consultants, 63 Mansell Street, London E1 8AN. Telephone: 01-488 4114.

MERVYN HUGHES

International Stockbroking – Career move for ACA

SETTLEMENTS MANAGER

City **from c£25,000 + car, etc**

Following reorganisation of the support function of our client – a major international firm of stockbrokers and market makers with offices in New York, Hong Kong and Australia, a new role has been created for a young accountant keen to make a career with a large financial services group in their main London office.

Reporting to the Administration Director, you will work closely with the market makers and finance function in establishing and maintaining controls within your department that will ensure the accuracy of the positions of the dealers and their profit and loss accounts.

Probably qualified as a Chartered Accountant and aged 25-30, relevant experience is less important than an interest in and commitment to a career within the financial services industry. This is regarded as an excellent introduction to such a career and will provide a sound understanding of the workings of the business. Career prospects within the finance or administration functions are therefore excellent.

Please write, enclosing a career/salary history and daytime telephone number, to John P. Sleigh FCCA quoting reference J/730/SF.

LLOYD MANAGEMENT Selection Consultants 125 High Holborn London WC1V 6QA 01-405 3499

LLOYD MANAGEMENT

Gillette

Recently Qualified Accountant

A CAREER OPPORTUNITY IN TREASURY MANAGEMENT

£ Neg + Benefits

West London

The Gillette Company is an international market leader involved in the manufacture, development and marketing of a diverse range of 'household name' branded products. Due to internal promotion, a unique opportunity exists within its Northern European HQ for a young, newly qualified Accountant.

Working closely with the Financial Accounting Manager on banking, cash planning and payment activities, you will be responsible for developing and managing an effective UK Treasury function. This will involve supervising 7 staff and undertaking systems development with a view to strengthening current cash planning and payment procedures.

The successful candidate will find a fast moving environment offering considerable exposure to senior management and professional advisors, as well as gaining a complete overview of the company's operations. Candidates should be qualified Accountants, aged mid 20's and able to demonstrate the technical and interpersonal skills essential to succeed in a promotion orientated environment.

Please apply directly to Suzzane Wood at Robert Half, Freepost, Mountbatten House, Victoria Street, Windsor, Berks SL4 1YY. Telephone: 0753 857181, evenings 01-876 5405.

Financial Recruitment Specialists
London · Birmingham · Windsor · Manchester

ROBERT HALF

UTILISE YOUR EXPERIENCE OF BUDGETARY CONTROL AND ANALYSIS

...a rare opportunity for a top level professional

Home Counties £30,000 + car

Within any company the need for effective analysis and control of operating costs is fundamental to on-going success.

Within a fast growing and rapidly changing organisation, with a turnover in excess of £500 million, this becomes critical.

As EXPENDITURE AND BUDGETARY CONTROL MANAGER – a key member of the financial management team – your role will be to ensure that accurate and relevant analysis on customer, product and company performance, is carried out.

This will entail the development of business plans, annual budgets and rolling forecasts, together with the analysis of operating expenditure against budget.

Aged 30+, professionally qualified, and of graduate calibre, you will have previous experience of successful expenditure/budgetary analysis within a dynamic, commercial environment and more importantly will be used to operating successfully at senior level

In addition to well developed inter-personal and management skills, you must have the ability to take complex projects to successful completion and have the potential to further develop within the company at the highest level

Salary as stated together with a range of attractive benefits which include private medical insurance, management bonus and relocation assistance where appropriate

Interested? Please write in the first instance with full career and salary details. As these will be forwarded direct to our client, list on a separate sheet any companies to whom your application should not be sent. Kevin Mitchell, Ref: KM345, MSL Advertising, Centre City Tower, 7 Hill Street, Birmingham B5 4UA.

Offices in Europe, the Americas, Australasia and Asia Pacific.

MSL Advertising

Group Company Secretary

A leading South East PLC, established as a market leader in the expanding residential development market, with estimated turnover for 1988 in excess of £100m, has an opportunity for a young, dynamic Group Company Secretary to join its senior management team.

Reporting to the Group Financial Controller you will provide a full secretarial service to our Group of Companies and will provide a specialist accounting service to a new subsidiary Company. The successful candidate will be a Chartered Secretary or Accountant with knowledge of secretarial practice, company law and stock exchange procedures. In addition he/she will probable be in their early thirties with a dynamic approach to business, excellent communication skills, flexibility and commercial awareness.

We offer an excellent salary and a benefits package comprised of company car, private health care, pension scheme etc.

Closing date for applications is 16th June, 1988.

The apply send full CV to A0905, Financial Times, 10 Cannon Street, London EC4P 4BY

هكذا من الأصل

Enhancing Shareholder Value...

Strategic Planning and Finance

London **to £35,000+Benefits**

We are acting on behalf of a blue chip financial services group with substantial international operations. The Company adopts a progressive business approach with a strong emphasis on successful growth through exploitation of competitive advantage.

We are seeking a high flier to: identify and pursue acquisition opportunities, develop corporate strategy, advise on market competition and business developments.

This is a high profile position which is seen as an entry point for future executives where you will advise top level management in critical commercial decisions.

Candidates will be either: qualified chartered accountants, aged 27-30 who since qualification have gained a minimum of one year's experience in business investigations/corporate development in practice or industry, or an MBA aged 27-33 with a minimum of two years' experience in strategic planning/acquisitions.

If you possess the necessary qualities and are excited by the challenge offered, you should write to Jon Anderson, ACMA, Executive Division, enclosing a comprehensive curriculum vitae and daytime telephone number *quoting ref. 512 at 39-41 Parker Street,* London WC2B 5LH.

Michael Page Partnership
International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

Henry TELFER

Finance Director

Northampton **c£27,000 + Car + Benefits**

Our client, Henry Telfer Ltd, is an autonomous £40m turnover subsidiary of the dynamic Hillsdown Holdings Plc.
The company is engaged in the production of a variety of top quality sandwiches and meat products for leading high street retailers and commercial catering organisations.

The company wishes to appoint a commercially minded Finance Director to steer it through planned future growth. You will assume total responsibility for the finance, DP and sales administration function and will play an active part in corporate development.

In addition to the regular reporting and financial planning responsibilities, the successful candidate will, in association with the MD, be heavily involved in the strategic planning and policy formulation process. You will also oversee the ongoing development of management systems throughout the company.

Suitable candidates, aged between 30 and 36, will be Qualified Accountants with a strong track record of achievement in an industrial environment. You will be able to demonstrate a proven ability to organise and manage the finance function and should display genuine commercial flair. A good working knowledge of computerised accounting systems is also required.

In return, the company offer a challenging and stimulating environment plus excellent career prospects and a significant remuneration package.

Interested candidates should write to
Tony Hodgins ACA, Executive Division,
Michael Page Partnership, Bennetts Court,
6 Bennetts Hill, Birmingham B2 5ST,
enclosing a comprehensive CV.

Michael Page Partnership
International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

TORONTO CANADA

Newly/Recently Qualified A.C.A.'s

Representatives of one of Toronto's major accounting practices will be visiting our offices in the U.K. to recruit A.C.A.'s to manage the substantial growth in their own highly diversified client base.

Individuals should be technically aware, ambitious and professional and willing to provide comprehensive audit, accounting and tax services to clients within the private and public sectors.

Toronto is recognised as the industrial and commercial centre of Canada and in addition to being one of Canada's most attractive cities boasts impressive social and sporting amenities.

Remuneration and relocation packages are generous offering excellent scope for progression as has been demonstrated by U.K. A.C.A.'s in the past.

- ◆ **Exciting/entrepreneurial client base**
- ◆ **High level of special work**
- ◆ **International reputation**
- ◆ **Promotion of previous U.K. A.C.A.'s excellent**

For further information please telephone Gary Johnson or Geraint Evans on 01-836 9501 (evenings/weekends 058-283 2801) or contact your nearest office.

FINANCIAL & MANAGEMENT RECRUITMENT CONSULTANTS
DOUGLAS LLAMBIAS

Financial Controller

London — West End £25,000-£30,000 + Bonus

Our client is a young, expanding profitable organisation supplying bunkering and related services to ships calling at ports world-wide. They are currently looking for a financial controller to report to the Board.

The successful candidate, probably a qualified accountant aged 35-45, will be expected to set up reporting and accounting systems, manage an accounts department, liaise with company advisers and ensure smooth administration of the company.

You will be reliable, hardworking and be capable of fitting into a well-established friendly team. You should have experience of computer systems, management reporting, financial accounting and basic treasury management.

This represents a good opportunity for someone looking to move into a small, friendly company, in a high profile, responsible role.

Interested candidates should contact Suzie Mummé on 01-248 3653 (0932-220151 evenings/weekends) or write, enclosing a detailed curriculum vitae. All applications will be treated in the strictest confidence.

76, Watling Street, London EC4M 9BJ **BBM** ASSOCIATES Tel: 01-248 3653/01-489 8070

CONSULTANTS IN RECRUITMENT

LEADING BANKING FAMILY

HEAD OF LEGAL AND FINANCIAL AFFAIRS

Age 40's-50's Around £40,000 + Major Banking Benefits

The family is long-established and has a major interest in one of the most prestigious UK banks. They seek an individual to safeguard and administer their personal financial affairs.

You will have a considerable degree of autonomy, since the family's Secretariat is separate from the bank. Nonetheless, you will be empowered to call upon the organisation's substantial technical resources. Strategic fiscal planning will be pivotal to the role, although you will also control a broad spectrum of complex UK and overseas settlements and enjoy involvement in a range of other activities.

You should be able to demonstrate considerable professional credibility, with an impeccable credential record gained from within a tax, accountancy or legal practice. Needless to say, we would require evidence of a recognised professional qualification, allied to significant experience of tax planning for high net worth individuals and familiarity with trust law and administration. You will possess a diplomatic approach, excellent communication skills and considerable flexibility.

In addition to a salary of around £40,000, the compensation package will include major banking benefits such as a bonus, mortgage subsidy, car and pension scheme.

mh

Please write, enclosing full CV, quoting Ref: A147, to Jennifer S. Tucker or Phillip Price ACA at Mervyn Hughes International Limited Management Recruitment Consultants, 63 Mansell Street, London E1 8AN. Telephone: 01-488 4114.

MERVYN HUGHES

Financial Planning

Ambitious Young Accountants

City **to £30,000 + Mortgage + Car**

Our client, the merchant banking arm of a leading British Financial Services Group, is seeking to recruit high calibre accountants to set up its Financial Planning Function.

The Bank is a relatively new venture with ambitious plans to capitalise on its success to date. Your first task will be to develop sophisticated systems for planning and budgetary control. Once established you will assist senior managers in the implementation of these systems and in analysing their division's performance against plans. You will also be involved in integrating acquisitions within the Group.

Candidates will be recently qualified graduate accountants, aged 25-30 and have at least 2 years post qualifying experience, preferably in the financial services sector. You will have developed a high level of analytical ability, self-motivation and interpersonal skills.

Interested applicants should write enclosing a comprehensive curriculum vitae and daytime telephone number, quoting Ref: 239, to Philip Rice MA, ACMA, Whitehead Rice, 295 Regent Street, London W1R 8JH. Tel: 01-637 8736.

Whitehead Rice

MANAGEMENT SELECTION

RESEARCH ANALYST

Ansbacher Media Ltd. has a challenging opportunity for a Research Analyst to join its small, successful team.

Emphasis will be on maintaining and expanding our European Publishing and Media Database.

Candidates will be aged 25-35, and have some experience within merchant banking, stockbroking or financial institution. Salary £20,000+ according to qualifications and experience.

Please reply in confidence to:
The Personnel Manager
ANSBACHER MEDIA LTD.
103-105 Jermyn Street
London SW1Y 6EE

CHIEF ACCOUNTANT

We are a construction group in the North West and require a qualified Accountant with five years experience ideally in industry.

He/She will participate in all aspects of the business, the monthly management, year end and the consolidation of the Group accounts, forecasting, budgets, cash flow and all reporting procedures which are computer based on a recently updated IBM 36.

This is a career opportunity in a progressive p.l.c. group.

The remuneration package is negotiable around £15,000 +, + bonus, + car.

Apply in confidence to M.D. Wilkinson, Financial Controller, Dew Group Limited, Oldham. 061 624 5631.

Financial Controllers

£40,000+ tax free **Saudi Arabia**

Our client is a prestigious and highly diversified group with substantial interests in manufacturing, distribution and service industries. A pioneer in introducing new technologies to the market, the group has fully-computerised financial and management information systems throughout its network of subsidiaries.

Main tasks will be to direct and control the accounting and financial division of a major subsidiary. The successful management of working capital, foreign exchange requirements and the co-ordination of various pre-tender estimates and contract terms and conditions is of prime importance.

Candidates, probably aged mid 30's-mid 40's, should be qualified accountants with several years' experience outside the profession, and have a "hands-on" attitude and be able to work effectively within a team. Experience with computerised accounting, plus the ability to use spread sheets and apply financial modelling systems, is essential. Exposure to Middle East practices is desirable.

Salary is tax free and benefits include married accommodation, company car, medical care, paid holidays and an open-ended contract.

Opportunities are also available at a lower level for Financial Controllers, probably in their late 20's to early 30's, who have 2-3 years' post-qualification experience and are looking for a challenging role in which to develop their expertise.

Please write now – in confidence – with full career details to G E Yazigi. For the more senior posts, please quote ref. B1268/1. For the more junior posts, please quote ref. B.1268/2.

MSL International (UK) Ltd, 32 Aybrook Street, London W1M 3JL.

Offices in Europe, the Americas, Australasia and Asia Pacific.

MSL International

HIGH-ACHIEVING YOUNG CONTROLLER

South Wales **£23-25,000 + bonus + car**

This autonomous subsidiary of a well-known International Group manufactures a successful range of engineering products. As a result of continuing investment, sales and profitability are increasing substantially. To strengthen the management team, they now require a talented and energetic Controller to head up the finance function.

In this role you will work closely with the Managing Director in developing financial controls, identifying areas requiring attention and pursuing a vigorous strategy of improvement. You will enjoy the backing of an enthusiastic management team to implement the changes that are needed to meet your objectives.

You will be a qualified accountant, late 20's or early 30's. Your experience will be broad, including advanced financial control systems, cash and balance sheet management, financial planning and systems development. You will be a persuasive communicator with a natural ability to motivate staff and win their support for your ideas and actions.

The prospects are exciting; the scope for making a material impact on the business is enormous. Following your expected success in this appointment, positions offering further challenge and reward will be available elsewhere within this expanding Group. Benefits are excellent; relocation will be paid if necessary.

Please apply to Dudley Harrop at our Manchester office quoting ref. no. M823.

ASB ASB RECRUITMENT LTD

Eagle Buildings, 64 Cross Street, Manchester M2 4JQ Tel: 061-834 0618

Trident House, 31-33 Dale Street, Liverpool L2 2HF Tel: 051-236 9373

Financial Director

Home Counties

c£42,000 + Substantial Bonus + Car

Our client is a division of a UK plc in manufacturing and distribution. The division has a turnover in excess of £100m and operates throughout a UK regional network.

The Financial Director will have total responsibility for the finance and DP functions with particular emphasis on tight financial controls and the improvement of management information reporting systems. Furthermore, as a key member of the executive team, the Financial Director will be involved in the running of the division and ensuring that future plans are implemented.

Candidates should be qualified accountants, age indicator 35–40, with experience achieved in manufacturing companies that are marketing driven. It is essential that candidates have the personal qualities to succeed and progress within this acquisitive group.

Please telephone or write enclosing full curriculum vitae quoting ref: 218 to:
Nigel Hopkins FCA,
97 Jermyn Street,
London SW1Y 6JE
Tel: 01-839 4572

Cartwright Hopkins
FINANCIAL SELECTION AND SEARCH

APPOINTMENTS ADVERTISING

For further information call 01-248 8000

Tessa Taylor ext 3351

Deirdre Venables ext 4177

Paul Maraviglia ext 4676

Elizabeth Rowan ext 3456

Patrick Williams ext 3694

FINANCE AND ADMINISTRATION DIRECTOR

A broad based role for a strategic thinker

Sussex Coast £35,000+car

Our client's name is synonymous with the highest standards of engineering consultancy. The company is totally independent, operates on a worldwide group basis, and offers clients a comprehensive service. It is justly proud of its excellent reputation for the quality of its work and people.

Reporting to the Chief Executive, the Finance and Administration Director will direct all aspects of the company's financial and administrative affairs and work closely with senior management colleagues on commercial and strategic matters. The role is very broad and in addition will encompass responsibility for company secretarial affairs, personnel and information systems.

Candidates should be qualified accountants, preferably with a further business qualification, with strong management and technical skills as well as the commercial experience, awareness and commitment required to make a substantial contribution to this growing company. At least some experience should have been gained in a contracting, engineering or energy related industry.

In personal terms, the appointee will have an outgoing personality and a creative approach to finance and administration matters. Candidates must have the ability to communicate with people at all levels and have a high level of strategic thinking ability. We seek a fairly strong character with energy, tenacity and the ability to make things happen.

Please reply in confidence to Anne Routledge, quoting ref. E3913.

KPMG Peat Marwick McLintock
Executive Selection and Search
9 Creed Lane, London EC4V 5BR

GROUP ACCOUNTANT

London & Edinburgh Trust PLC

to £25,000 + car + bonus

A successful and acquisitive group, **London & Edinburgh Trust** is expanding its interests in the financial services and property sectors, both in the UK and internationally. Highly regarded, the group is producing and forecasting impressive growth.

An important member of the small London based headquarters team, the group accountant will be involved in the collection, review and analysis of financial and management information. Further developing systems, he or she will be responsible for the preparation and presentation of published information and will participate in a range of projects. The accountant will be ideally placed for increased responsibility in this dynamic environment.

In their mid to late 20s, applicants should be qualified accountants from commerce or the profession.

Please write, enclosing a career/salary history and daytime telephone number, to David Hogg FCA quoting reference H/725/LF.

LLOYD MANAGEMENT Selection Consultants 125 High Holborn London WC1V 6QA 01-405 3499

LLOYD MANAGEMENT

FINANCIAL CONTROLLER Director Designate

Our client is a profitable estate and travel agency group. M.D. wants an energetic, commercially minded accountant to play a major part in the groups future. Based Ruislip. c£20K + package.

Write to:

Ian Rosmaria
Howard Parsons & Assocs.
5 Upper Tachbrook Street,
London SW1V 1SN.

FINANCIAL ACCOUNTS MANAGER

North Surrey £25,000 + Car

With highly regarded existing services, successful new product development and particular expansion in Europe my client, a £70M subsidiary of a US Financial Services Corporation, is currently achieving 20% growth per annum – growth that will accelerate.

Reporting to the UK Head of Finance this new position offers the opportunity to take full responsibility for a Department of 15 and will be required to ensure that all Financial Accounting controls and systems are effectively managed, both on a day to day basis, and importantly, as the company expands.

Suitable applicants will be fully qualified, with good technical knowledge and proven management skills. Computerised systems experience is essential as the position will closely assist with the transfer to a parent group MSA system.

Success in this high profile role will ensure future progression.

Please contact Richard Warner on 0483 65566 (24 Hours).

Management Personnel
York House, Chertsey Street,
GUILDFORD,
Surrey GU1 4ET

Management Personnel
LONDON · GUILDFORD · ST. ALBANS · WINDSOR · NEWBURY · BRISTOL · CAMBRIDGE

RECENTLY QUALIFIED A.C.A. INTERNATIONAL OPPORTUNITY

We are a leading European Oil Group with extensive activities in chemicals and pharmaceuticals. In preparation for a United Europe, we seek to recruit high potential candidates of various nationalities for financial management positions within the parent company and its subsidiaries in Europe and worldwide.

The initial position will be as GROUP INTERNAL AUDITOR, based in PARIS, and will involve about 50% travel to our locations worldwide. Three to four years of success will lead to a line position anywhere in the Group.

We are looking for people of the highest calibre. Our salary and benefits package, including relocation expenses, free accommodation and non-contributory pension scheme, reflects this.

Ideal candidates are graduate Chartered Accountants, preferably with a flair for languages, aged around 25, newly qualified and ready for the challenge we are offering.

Please apply in writing with detailed CV and current salary to:
John Allinson, P.O. Box 155, 1211 Geneva 24, Switzerland.

CHARTERED ACCOUNTANTS FOR CANADA

Thorne, Ernst & Whinney, the Canadian firm of Ernst & Whinney International, continues to experience vigorous growth which has created career opportunities throughout Canada for recently qualified (or nearly qualified) Chartered Accountants.

Thorne Ernst & Whinney is Canada's largest accounting firm, with fifty-six offices nationwide, we can offer you a wide variety of staff sizes and Canadian metropolitan environments from which to choose.

Meet with visiting representatives from Canada according to the following agenda:

PRESENTATION on Monday, June 13, 6 p.m.

INTERVIEWS on Monday, Tuesday & Wednesday, June 13, 14 & 15 by appointment

The Presentation will provide you with comprehensive information about career opportunities with Thorne, Ernst & Whinney and will offer a realistic portrayal of Canadian lifestyles. Interviews will be completely confidential. The location is the Ernst & Whinney office at Becket House, 1 Lambeth Palace Road, London, SE1 7EV England.

To reserve your place or arrange an interview, please call Harry Compton, 1/928-2000.

Thorne Ernst & Whinney
Chartered Accountants

Member of Ernst & Whinney International

International HQ

Thames Valley mid 20's c.£23,000+car

Chartered Accountants will find this an ideal opportunity to establish a career base in industry since it provides exposure to the latest accounting techniques supported by sophisticated systems in a dynamic management environment. Our client is a £2bn "household name" company and a world leader in a fast-moving market. The person appointed will join a high-calibre team responsible for co-ordinating the results of their U.K. and overseas operations and for submitting performance reports to corporate management. The company's style encourages imaginative thinking and a pro-active contribution so that success in this role has provided previous holders with a varied range of career opportunities throughout the organisation. Applicants should be graduate Chartered Accountants who recognise that their long term careers will best be served by building on their professional experience with a company of the highest reputation in an expanding market. Ref: 1662/FT. Write or telephone for an application form or send full details (with current salary and daytime telephone number) to R.A. Phillips, ACIS, FCII, Phillips & Carpenter, 2-5 Old Bond Street, London W1X 3TB. Telephone no: 01-493 0156 (24 hours).

Phillips & Carpenter
Selection Consultants

FINANCIAL CONTROLLER

Marina and hotel/leisure development, Cambridgeshire

Rapid forecast growth in the development of a marina site has lead to the requirement for an ambitious, recently qualified accountant to take control of all aspects of the accounting function.

Reporting to the Group Financial Director, the successful candidate will have to display the technical skills and flair necessary to develop and maintain the accounting systems of a large and diverse operation. The salary offered for the job will be in the region of £17,000 per annum, and there are good prospects for promotion within this rapidly expanding Group.

Please send your curriculum vitae in complete confidence to: H S Watson, Financial Director, JPI Group, Plantagenet House, Kingsclere Business Park, Kingsclere, Newbury RG15 8SW.

Financial Adviser

Property

C. London c.£30,000 + Car + Mortgage

Continued growth of their outstanding commercial property portfolio, now exceeding £billions, has created a rare career opening for an ambitious, qualified accountant, aged c.30, with this leading institutional investor.

As an influential member of the Management Team, reporting to the Finance Director, you will be responsible for the planning of corporate structures in support of development initiatives. Thus, it is essential that you can formulate, present and justify the fiscal case for a wide range of property activities. Fluency in tax and company law is essential, and knowledge of US accounting practice ideal.

This high-profile position demands an outstanding individual who can combine technical competence with imagination, has well developed commercial instincts and above all a determination to ensure the achievement of agreed business objectives.

Career opportunities are excellent in this diversifying group. A superb benefits package includes a mortgage and non-contributory pension scheme.

Write, with full CV and daytime telephone number, to Patrick Donnelly, quoting reference FT/022.

PD Consultants
MANAGEMENT · SELECTION
314/316 Vauxhall Bridge Road, London SW1V 1AA. Tel: 01-828 2273

U.K. FINANCE MANAGER

WEST LONDON to £30,000 + car + Benefits

Stratus Computer, Inc. designs, manufactures, markets and services a family of fault-tolerant continuous Processing systems for on-line transaction processing and communications control.

This senior financial position will report to the Financial Director and carry responsibility for accounting, reporting, M.I.S., forecasting/budgeting and internal control. The successful candidate will be a qualified, computer literate accountant with extensive experience in a similar role and with the personal qualities necessary to be effective in a demanding growth environment.

Comprehensive CV's, including current salary details and daytime telephone number to:

Maureen Chalmers
Stratus Computer Limited,
30 Cannon Street,
London EC4M 6XH

Stratus

هكذا من الأصل

Influential new positions following a major management buy-out

With a turnover in excess of £150 million, our client, Glass Glover Group PLC, is one of the top two fresh food producers and distributors in the UK.

The Company has recently been subject to a management buy-out. As a result, new directions and new strategies are underway – creating a stimulating environment for the Financial Managers now needed to achieve ambitious targets.

Group Financial Controller

c £35,000 + car + executive benefits

Overseeing all the financial aspects of the Group, you will further develop sophisticated management information systems and establish a new Group Treasury function.

Aged 30+ and a qualified Accountant – probably Chartered – you must have several years' senior management experience within a fast-moving environment. You will combine a practical approach with high profile credibility. Exposure to controls within a multi-site organisation will be a distinct advantage.

Reference: B.34026

Tax Manager

c £25,000 + car + executive benefits

This is an unusual opportunity for a young tax specialist to assume a particularly broad based role. You will set up and run a new function dealing with all areas of taxation including corporation tax, PAYE and related areas and Group VAT.

Reporting to the Group Financial Controller, this new position calls for a high calibre, self-motivated ACA, probably aged 27-35, with proven taxation experience gained either in the profession or within a commercial organisation.

Reference: B 34028

Your generous benefits package will include relocation assistance where appropriate to the Company's attractive South Yorkshire location.

If you're keen to play an influential role in a Company with outstanding potential for growth and development, please write enclosing your cv and quoting the appropriate reference number to Nigel Bates FCA, MSL International (UK) Ltd, 32 Aybrook Street, London W1M 3JL.

MSL International

Financial Controller

Up to £35,000 package

City

Our client, a small, long established private banking and investment management group, is looking for a qualified accountant to head its accounts and administration functions and to implement development plans and strategy.

The post calls for sound practical accounting experience in the City financial sector, mature judgement and reliability. The range of important internal and external contacts especially regulatory bodies requires good personal presentation and confidence.

Please apply in writing, quoting reference FT15, and enclosing a full CV, daytime telephone number and details of current earnings, to: Trevor Austin, Executive Recruitment Division, Binder Hamlyn Management Consultants, 8 St Bride Street, London EC4A 4DA.

BinderHamlyn MANAGEMENT CONSULTANTS

Significant career move for a young professional

AGB Research has, for the last 25 years, steadily grown to become Europe's largest provider of quantitative market intelligence and an international leader in Market Research.

Information is our business and we demand the most comprehensive and enlightening management information to control and further develop our business. The role of Management Accountant has a highly visible influence on decision making at the most senior level and presents a stimulating challenge for a young, ambitious professional.

MANAGEMENT ACCOUNTANT

to £25,000 pa + car

We are looking for an inquisitive, incisive and innovative accountant with a broad appreciation of business, strong leadership skills and a creative approach to problem-solving. A fluent communicator, you will have the confidence to present cogent suggestions for improving business performance. An ACCA or ICMA, you should have at least 3 years' in-depth experience including management of staff, budgets, accounts and management information systems.

Salary will be between £22,500 and £25,000 pa depending on experience and qualifications. A comprehensive benefits package includes a company car and relocation assistance where necessary. For an ambitious, achievement oriented individual, there are exceptional prospects for promotion to a more senior position within two years.

If you can meet this challenge, please telephone or send your c.v. to Melanie Higgs, Recruitment Manager, AGB Research plc., West Gate, London W5 1UA. Telephone 01-997 8484.

AGB

AGB RESEARCH PLC

Accountancy Personnel

Placing Accountants First

CONFIDENTIAL

MANAGEMENT ACCOUNTANT

West London **£20,000 + Car**

A crucial role in the expansion plans of our client, a multi-national company with a UK turnover of £100 million, who sell and support every type of computer system from workstations to Supercomputers. Reporting to senior management you will use your commercial accounting skills to provide a full management information service for their key business area.

Your high profile, determination and good presentation skills will allow you to take full advantage of the further career development available.

For further details, contact: Accountancy Personnel, Hadford House, Suite 24-25, 17-27 High St, Hounslow TW3 1TA Tel: 01-570 1616

CONFIDENTIAL

HI-TECH ENVIRONMENT MANAGEMENT ACCOUNTANT

Surrey **£Neg.**

As the UK's leading specialist in IBM micro to mainframe communications, our *Client's continuing success has created the above new post within its Head Office.*

Not that our Client is looking for just a qualified accountant – they want an ambitious man or woman to join their dynamic team and enjoy the scope this lively, fast pace environment can offer. As you would expect, a knowledge of computerised systems, particularly spreadsheets, is essential to earn the benefits available within this successful high technology company.

Interested? Then call today or write with full CV:

Accountancy Personnel, Pearl Assurance House, High St, Woking GU21 1XJ Tel: 0483 757774

CECA

COMPANY SECRETARY DESIGNATE

Wimbledon **£18-20,000**

The British Ceca Company Ltd are a dominant force in UK specialty chemicals markets. An autonomous subsidiary of a major French group, they can offer international involvement to a new Company Secretary Designate who will take responsibility for all company finance and the update and implementation of computerised systems, reporting directly to the Managing Director.

Qualified, and preferably a French speaker, you will enjoy a front-line role, sound financial rewards, and an opportunity to grow with an already successful company.

For further details, contact: Accountancy Personnel, 36 Wimbledon Hill Road, London SW19 7PA Tel: 01-879 7007

FINANCIAL CONTROLLER

(Director Designate)

PUBLIC COMPANY - SURBITON

FCA ONLY (28-35) **c.£45,000**

Our Company, listed as 23rd in the 200 fastest growing UK Public Companies, has become the leading wholesaler distributor of Micros & computer peripherais.

We are seeking an energetic responsible personality to join a highly successful and proven management team.

The present high growth of the Company has elevated the present F.D. into an overall management role, creating a vacancy for a suitable replacement.

The position covers the usual financial disciplines along with responsibility for the continuing improvement and implementation of internal management systems. The successful candidate will possess and have demonstrated a very high level of commercial awareness in addition to the ususal expected skills.

C.V.'s in strict confidence to:

A.L. Bowen (FCA)

Northamber plc

Lion Park Avenue, Chessington, Surrey, KT9 1SU

Somerset

FINANCE DIRECTOR

(Designate)

To £25,000 + car **+ substantial potential benefits**

Engaged in the fast-growing plastics packaging business, this subsidiary of a £375 million turnover international group has sales approaching £10 million and over 150 employees. The company, which is located in Bridgwater, has recently invested substantially in new plant as part of a major product diversification programme.

Reporting to the Managing Director, and supported by 5 staff, the Finance Director (Designate) will be responsible for all finance, personnel, purchasing and general administration functions. The successful candidate will be expected to improve financial control and management information and to participate with other executives in making decisions affecting profitability and business development.

Applicants must be qualified accountants whose manufacturing industry experience, preferably gained in a batch production environment, should include both standard costing and product profitability reporting. Exposure to the food, packaging or FMCG industries would be an advantage.

Relocation expenses will be paid where appropriate. Attractive additional benefits will apply on achieving full board status in about one year and this expanding group offers ample scope for further career development.

Please send a comprehensive career résumé including salary history and day-time telephone number, quoting ref: 2930 to Graham Perkins, Executive Selection Division.

Touche Ross

Thavies Inn House, 3/4 Holborn Circus, London EC1N 2HB. Telephone: 01-353 7361.

Hong Kong Society of Accountants

Technical Director – Hong Kong

The Director will have overall responsibility for the provision of technical support and secretarial services to those committees of the Society which formulate accounting and auditing standards and guidelines and those which are concerned about legislation and practices affecting the profession. He will advise and assist the committees in the development of technical services to members of the Society and will be responsible for the implementation thereof.

Candidates should be qualified accountants and preferably have had experience in the technical department of a professional firm.

This is a very important position which offers a high degree of exposure to current matters of technical concern to the accounting profession. An attractive remuneration package will be negotiated commensurate with the exceptional qualities demanded.

To progress this opportunity please telephone, or write with a full C.V. to John N. Seear FCA.

CHARTAC Recruitment Services

CHARTAC RECRUITMENT SERVICES
The Institute of Chartered Accountants in England and Wales, PO Box 433
Chartered Accountants' Hall
Moorgate Place, London EC2P 2BJ
Tel: 01-628 7060

FINANCIAL ACCOUNTANT

West London **Salary c £19,000, Car, Benefits**

The company is a wholly owned subsidiary of Trafalgar House PLC, with a Head Office based in West London and provincial factories. Its business is the manufacture and marketing of high quality ceiling tiles and panels and it enjoys an excellent market reputation and a progressive growth record.

The requirement now is for a commercially aware Accountant to take full control of the company's financial management and accounting system. This newly created role reports to the Managing Director and will centre around establishing a computerized accounting system, influencing credit control policy and practice, controlling cash and stock flow and the provision of management information.

Candidates will be qualified or part qualified accountants in their late 20's to early 30's and ambitious to progress both within the company and the broader parent organisation. The negotiable salary is enhanced by a fully expensed company car and attractive large company benefits.

Please reply with full CV to: Mr. G.E. Gilbert, General Manager, Personnel, Cementation House, Maple Cross, Rickmansworth, Hertfordshire WD3 2SW.

A TRAFALGAR HOUSE COMPANY

FINANCIAL CONTROLLER

£20,000 + Car

For a major communication service company based in Chelsea.

The candidate must have hands in experience of full financial responsibility in a medium sized business.

The job would suit an accountant ready to accept a challenge and willing to liaise with other departments.

please apply by writing with a full CV to:-

Peter Cusk - Chief Executive

One to One Inc.

102 Sydney Street, London SW3 6NL

WINCANTON GROUP

AMBITIOUS CHARTERED ACCOUNTANT

c £21k plus car **Camberley**

Wincanton Group, a subsidiary of Unigate plc, is one of the UK's leading transport and distribution companies with a turnover in excess of £400 million and further plans for major growth. As a result of this expansion the Finance function is being strengthened and a key appointment is to be made at Group level.

Reporting to the Group Finance Director, the role will involve direct responsibility for operational audit reviews of three operating companies. In addition there will be a substantial element of project work in areas such as acquisitions and business re-organisation.

The ideal candidate will be a self starter ACA with at least 1-2 years' post qualification experience with one of the larger practices. Good communication skills, and a positive approach are essential.

The role is an ideal first step into commerce and offers exciting career development potential to line management in the short term.

A reward package will be negotiated which reflects the importance of the job.

Please send full CV to: S E Bown, Finance Director, Wincanton Group Limited, Station Road, Wincanton, Somerset, BA9 9EQ.

Financial Controller

Engineering
North London, Home Counties
£25,000 – £30,000, Car, Benefits

Reporting to the Managing Director, this is a senior role with responsibility for developing a professional financial function consisting of 12 people. This is an international business, a £15m per annum turnover subsidiary of a major UK plc. Knowledge of financial reporting and systems in a contracting business is highly desirable. Aged early thirties, a qualified accountant, you must have first class technical skills, and a thorough grasp of computerised accounting systems. On a personal front, significant man-management and leadership skills are essential. You must also have the ability and ambition to aspire to the highest levels of management opportunities available in this fast expanding organisation.

J.A. Thomas, Ref: L13076/FT. Male or female candidates should telephone in confidence for a Personal History Form, **0532-448661,**
Hoggett Bowers plc, 7 Lisbon Square, **LEEDS,** LS1 4LZ.

Hoggett Bowers
Executive Search and Selection Consultants
BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM, SHEFFIELD and WINDSOR
A MEMBER OF BLUE ARROW PLC

Financial Director

. . . a highly commercial international role

c. £35,000 + benefits — **West of London**

Our client, part of a major multinational group, is a specialist supplier of bespoke engineering systems to the oil/gas/petrochemical industry. Recent years have seen rapid profitable growth, to the current turnover of £10m.

The role of the Financial Director will have a distinctly commercial orientation. It will include a very important contribution to the executive management of the business. In addition to line responsibility for the accounts, systems, personnel and administration functions, the successful candidate will make a major legal and commercial input particularly as regards international contracts negotiations.

A qualified accountant, preferably a graduate aged 33-40, you will have had experience of running a computerised accounting function at Department Manager level with exposure to foreign exchange management and contract assessment. A team player, you will combine professionalism with strength of personality to hold your position around the negotiating table. The job will entail occasional foreign travel.

Please write – in confidence – enclosing full details including current salary to Nigel Bates FCA, ref. B 34029.

MSL International (UK) Ltd, 32 Aybrook Street, London W1M 3JL.

Offices in Europe, the Americas, Australasia and Asia Pacific

MSL International

Director of Pensions Insurance and Payroll

City — **£35,000-£40,000 negotiable**

Pre-eminent in its fields of operation, our client is seeking an FCIS or Chartered Accountant to manage a team of six people responsible for the pensions, insurances, payroll and other company secretary related duties for around 1,000 people.

The successful candidate will possess the background, intellectual pedigree and maturity to ensure rapid integration into a large professional practice. Reporting to the Finance Director, candidates will need to demonstrate previous success in dealings with fund managers, actuaries and insurance brokers of the highest calibre.

Please write in absolute confidence to Peter Willingham, quoting reference PTW3, at Spicers Executive Selection, 13 Bruton Street, London W1X 7AH.

SPICERS EXECUTIVE SELECTION
A MEMBER OF SPICER & OPPENHEIM INTERNATIONAL

P/Q—NEWLY QUALIFIED

CENTRAL LONDON — ***C £23K + BENEFITS***

OUR CLIENT—*is the UK Head Office of a US Banking Corporation with a full range of financial services support activities; is rapidly expanding its operations; is searching for three young accountants (23-27) with drive and flair.*

THEY OFFER— *a salary ranging between £18,000 and £23,000 (depending upon level of qualification); a 5% mortgage package; private medical cover; a pension scheme; interest free season ticket loan; fully paid study leave to part qualifieds, and above all, superb opportunities for career progression.*

YOU—*are Degree Status; approaching finals or recently qualified; have banking experience or training with one of the "Big 8"; have drive and the ambition to succeed in a tough commercial banking environment; are probably frustrated by the "dead man's shoes" approach with your present organisation; have the ability to supervise, train and motivate staff.*

In the first instance please telephone ***PAUL SAUNDERS*** *on:*

01-636-9891
01-637-9601
01-637-3096

HUNTER TURNER ASSOCIATES
2ND FLOOR
EDINBURGH HOUSE
40 GREAT PORTLAND STREET
LONDON W1N 5AH

or send your C.V. to him at ***FAX NO. 01-436-9693***

HUNTER TURNER
Recruitment Consultants

NSPCC Finance Director

c. £30,000+car: London

The NSPCC is one of the largest and most successful charities in the UK, with a total annual expenditure last year of £18m. £23m is forecast for this year, to be raised from the Society's voluntary fundraising activities, grants, legacies and trading operations. The Finance Director is responsible for the finance and administration function of the Society and the prime task will be to ensure the smooth and efficient running of this service. Candidates should be qualified accountants, preferably with a degree or higher level education. Experience of running the finance department of a similar sized but commercial operation would be helpful but most important is the skill to motivate, manage and develop sound financial strategy. The ability to communicate, delegate and cope with pressure is vital and a sense of humour would help. Please reply with full career details in strictest confidence to Peg Eva, as adviser to the Society, at Selection Thomson Ltd., 115 Mount Street, London W1Y 5HD.

Selection Thomson
London and Glasgow

CHIEF *accountant*

Cannon Lincolo is a successful company by any standards.

Behind our outstanding record in life assurance, unit trusts, mortgages and pensions lies an approach to business that's based upon flexibility and innovation.

These qualities distinguish all of our products and services. We'd certainly expect to find them in our new Chief Accountant.

To help us maintain our position at the forefront of the financial services industry, you'll need to combine them with a thorough understanding of financial and investment accounting, and sound experience of operating at a senior level in a related area of business.

You will take the initiative to ensure that our yearly accounts appear in a concise, approachable way so that everybody — our own staff, and the financial sector at large — can appreciate our achievements.

An understanding of the fund management activity would be a useful asset, but it's not essential. What really matters is that you combine absolute professionalism with the dynamic, forward-looking approach that marks all Cannon Lincoln's business.

If you do, you can rely on a salary c.£25,000, and benefits including a company car, mortgage subsidy, health insurance, non-contributory pension and substantial bonus.

To apply, please write with your c.v. to Bob Cox, Personnel Manager, Cannon Lincoln, 1 Olympic Way, Wembley, Middlesex HA9 0NB, or telephone him on 01-902 8876 ext. 232.

CANNON LINCOLN
The Strength to Care

ACCOUNTABILITY

Our client based in the East Midlands is a major UK manufacturing group with £90m turnover and a target to go public in the near future.

Recent consolidation together with a lively acquisition and expansion policy has created a demand for ambitious professionals to join a new corporate team.

Group Accountant — **c£20k + car**

Responsible to the Financial Director the specific objective for this new high profile role will be to provide the group with an effective corporate, financial and statutory accounting service. Acquisition studies, board reporting, corporate payroll, financial performanre analysis of home and overseas units are all importaot parts of the job.

Highly qualified professionals with corporate experience should be commercially astute, innovative and influential.

Assistant Company Secretary — **c£16k**

To ensure that the group meets its corporate, legal and administrative requirement this central role will need strong secretarial expertise together with a high degree of organisational and co-ordinative ability.

The successful candidate will be ICSA qualified with secretarial experience preferably involving advice to subsidiary companies.

The corporate team will work in the stimulating and rewarding environment of the management of change and commercial decision making.

The excellent rewards for both positions include generous benefits and relocation assistance plus the excellent career prospects associated with going public.

Please forward c.v. to Pam Stickney, Recruitment Division, SCA Limited, Langley House, Langley Mill, Nottingham NG16 4AN. Tel. (0773) 760915.

SCA
PERSONNEL & MANAGEMENT CONSULTANTS

FINANCIAL ACCOUNTANT

A calculated career move with a leading retail group

c.£20k + bonus + car — **Central London**

If you're keen to develop your financial skills and gain a greater depth of experience in a high profile commercial environment, you should consider this opportunity with our client.

As one of the UK's most prominent and certainly most successful retail groups, they're enjoying a period of unrivalled growth within the industry. And now, the ever-increasing success of one of their major retail chains demands the enthusiasm and commitment of a commercially minded Financial Accountant with 1-2 years' post qualification experience.

Located at the company's Head Office, you'll assume responsibility for a close-knit team of around 6-8 people – some of whom are part-qualified Accountants. Subsequently, you'll have to demonstrate man management skills in order to ensure that monthly packages, and half-year and year-end accouots are prepared and produced to strict deadlines. Other duties will also demand that you have good interpersonal skills, in order that you are able to develop good relationships within the department and other areas of the business, as well as being organised and flexible when necessary.

If you have the commitment, ambition and experience essential to this role, ideally with some working knowledge of computer systems or P.C.s, you can look forward to a highly attractive salary and an extensive range of company benefits which include a company car, boous and substantial discounts on all Group products. Not to mention unparalleled opportunities for rapid progressioo within the Group as a whole.

Please write with full CV to John White at the address below quoting reference no: 4062.

Grosvenor
SEARCH INTERNATIONAL LTD
178-202 Great Portland Street, W1N 6JJ.

INVESTMENT ACCOUNTING AND REPORTING

■ Major International multi-industry corporation seeks experienced hands-on investment accountant for its small investment team managing a US $200 million balanced portfolio. Job location: Monaco.

■ The candidate will be a one-man key support function for the investment activity. He will introduce better PC-based investment accounting and reporting software, ensure timely and accurate accounting, produce management reports that effectively support investment decisions in most financial instruments, and control performance of external investment managers. He will devote major effort to decision support including sensitivity, valuation and risk/return analysis of contemplated investments.

■ The candidate should have at least 3-5 years experience in PC-based investment accounting/reporting and demonstrated skills in optimizing the systems and decision support for investment management. He should be excited by the opportunity to run the systems support single-handedly within the small investment team and thus have an essential role in the investment process.

■ We intend to develop our investment management activity into a selfstanding, top-notch investment firm. The candidate will have career opportunity to take an important role in the process. Alternatively, he will have career opportunity to transfer into a controlling/financial function of the Corporation.

■ We are looking for an outstanding individual and are willing to pay accordingly. Please send resume and compensation expectations to:

J.a.M. Vijverberg
Vice President TBG Invest
TBG Management SAM
P.O. Box 89
MC 98007 MONACO CEDEX
Phone: 93 30 06 87

DREWEATT·NEATE
CHARTERED SURVEYORS · ESTABLISHED 1759

CHARTERED ACCOUNTANT - WINCHESTER BASED

We require a commercially active, highly self-motivated Chartered Accountant.

Dreweatt Neate is a progressive, expanding independent firm of Chartered Surveyors with 14 offices throughout ceotral southern Eoglaod. The candidate must be commercially aware, probably late twenties/early thirties and be able to demonstrate broad-based financial ability and a forward-thinking understanding of business issues.

He or she will be eager to use their professional experience io a commercial environment and positively cootribute toward the successful expansioo of the firm. This is a senior position with superb prospects. The remuneratioo package, which includes a car, reflects the challenge of the position.

Please apply in writing to:
The Partnership Secretary, Dreweatt Neate
16-18 Market Place, Newbury, Berkshire RG14 5AZ

FINANCIAL CONTROLLER
(DIRECTOR DESIGNATE) - CITY OF LONDON

Our client is a young, expanding Financial Services Company involved in the provision of advice and management of share portfolios for private individuals.

They now wish to appoint a Financial Controller (Director Designate) to become actively involved in the development of accounting systems and all aspects of financial management, expansion and Financial Services Act compliance matters.

The post will be demanding and fulfilling in an organisatioo seeking growth and a very competitive financial package will be offered to the successful candidate.

Candidates will be qualified, experienced, Chartered Accountants preferably with some previous involvement in the financial services sector.

Applicants should write giving full curriculum vitae to

StoyHayward
A member of Horwath & Horwath International
Chartered Accountants, Foxhall Lodge, Gregory Boulevard, Nottingham NG7 6LH.

UNICEF UK

HEAD OF MANAGEMENT SERVICES

Are you - a qualified accountant?
an experienced administrator?
willing to place your skills at the service of the world's children?

The UK Committee for UNICEF, responsible for developing and managing support in Britain for the work of the United Nations Children's Fund, is looking for an imaginative, dedicated accountant to head its administrative and financial affairs.

Responsibilities include budgets, management of raised funds, financial reporting and computer systems development. Keen commercial awareness must be linked with understanding of the special needs of a major UK registered charity and the ability to manage staff in two locations - Central London and Chelmsford.

The Head of Management Services is responsible through the Director to the Executive Board of UNICEF UK for all financial matters. The post offers great scope for career satisfaction and financial remuneration which will not be less than £17,000 p.a.

Applications, marked MS/PT to
The Director
UK Committee for UNICEF
55 Lincoln's Inn Fields,
London WC2A 3NB
Closing date: Monday, 20 June

GREAT CAREER OPPORTUNITY For Young Qualified Accountant

An international tax and financial service company based in London, Hong Kong, Tokyo and Switzerland, and itself a subsidiary of a major international group, seeks a young accountant to take charge of the accounting and financial control functions of its Londoo company.

For the right person, who will be personable and able to work oo their own, this positioo offers an excitiog loog term career prospect.

Write to Box A0906, Financial Times,
10 Cannon Street, London EC4P 4BY
giving full details and salary required.

FINANCIAL DIRECTOR (DESIGNATE)

NORTH OF ENGLAND — **PACKAGE Circum £25k + Car**

We are a successful and progressive privately owned Group engaged in the building services industry, employing some 50 people. Within its planned further growth a Financial Controller (Director Designate) is required to take a key role in the small and ambitious Management team.

Ideal candidate will be computer literate qualified accountants preferably in the age range 25-35 who can make a positive contribution to the Group.

Considerable scope exists for personal development and an attractive initial package is offered.

Please reply in confidence to Mr. A. E. C. Cohen at Colmor House, Lingard Lane, Bredbury, Stockport, Cheshire. SK6 2QT, with full C.V.

BANKING/FINANCIAL SERVICES
EXECUTIVE SEACRH

U.S. based Finaocial Iostitutions Search Firm requires an individual with potential to become the Managing Director of their established Londoo subsidiary. The ideal candidate will have worked for a financial institution and has strong business development skills. Retained recruitment experience is a plus.

Please contact: Mr S Clahr, The September Group (U.K.) Ltd., 2 Fore Street, London EC2Y 5DA TEL: 374 2231

SECTION II – COMPANIES AND MARKETS
FINANCIAL TIMES
Thursday June 2 1988

Royal Bank of Canada jumps 25% in quarter

BY DAVID OWEN IN TORONTO

ROYAL BANK of Canada, the country's largest chartered bank, yesterday reported a 25 per cent increase in third-quarter profit, despite raising to 41 per cent of exposure its cumulative general provision for possible less developed country (LDC) losses.

Continued strong performances from the bank's core businesses – retail and corporate banking and treasury operations – underpinned the advance. A marked improvement in the bank's private sector loan portfolio also contributed.

In all, net income for the three months ended April 30 totalled C$143.5m (US$115.7m) or 99 cents per fully diluted share, compared with C$114.7m (79 cents a share) in the corresponding year earlier period.

In the first six months, the bank earned C$297.2m (C$2.06 a share), against C$227.8m (C$1.61) in 1987 – an increase of 30 per cent.

During this period, the bank has added C$195m (or C$104m after tax) to its Third World loan loss provision. It intends to augment this reserve to approximately 45 per cent of exposure – the maximum indicated by Canadian regulatory authorities – by the year end.

While buoyant second-quarter domestic earnings (up 38 per cent from a year ago) considerably mitigated the effect of increased loan loss provisions on the Royal's overall results, the bolstered reserve did impact heavily on its international operations.

These recorded an after-tax loss of C$2m for the period, compared with a C$10m profit in 1987. In the quarter just ended, some C$45m in past due interest receipts from Brazil was credited to income.

Average total assets were C$100.9bn in the second quarter – a decline of 1 per cent over the three months. The bank attributed the reduction both to a decrease in its deposits with other banks and to the lower translated value of US dollar assets. These offset growth in mortgages, business loans and bankers acceptances.

Hughes and Dresser put pump venture up for sale

BY JAMES BUCHAN IN NEW YORK

BAKER HUGHES and Dresser Industries, two leading Texas energy and mining service companies, yesterday put their BJ-Titan joint venture in pressure pumping services up for sale as part of the continuing reshaping of the troubled industry.

Baker Hughes, which is itself the result of the 1987 merger of Baker International and Hughes Tool, said yesterday that it was also seeking to sell its overseas pressure-pumping business, BJ Services International, which Baker Hughes owns wholly.

BJ-Titan, which is 72.5 per cent owned by Baker Hughes and operates in the US and Candada, enjoyed revenues of about $165m last year. BJ Services reported sales of about $115m from the Eastern hemisphere and Latin America.

Shearson Lehman Hutton, the big Wall Street investment firm, has been hired to examine the applications.

AG Stanley bid battle ends with £130m offer

By David Waller in London

THE ACRIMONIOUS battle for control of A.G.Stanley, one of the largest British DIY chains, came to an abrupt end yesterday morning when the board accepted an increased offer from Ward White, the acquisitive UK retailer.

The improved values the company at £130m ($238m), or 311½p per ordinary share, compared with £111m when Ward White launched its assault in April. Ward White's cash alternative, originally 253p per share, was raised to 300p.

Agreement was reached yesterday after Ward White said it would go ahead with a higher bid – albeit at 290p a share, slightly below the eventual offer – whether or not it won the board's recommendation.

Pivotal in deciding the outcome was the attitude of Williams Holdings, the UK industrial conglomerate which acquired 25.3 per cent of Stanley's shares when it bought the Berger paint group last year. Williams let it be known that it would accept Ward White's new offer irrespective of the stance of the Stanley board.

Mr Roger Regan, Stanley's managing director who has been vehemently opposed to the bid said yesterday he did not begrudge Williams' decision; the 300p cash offer was too generous to be turned down. The price compares with the 218p achieved by Stanley shares on the eve of the bid.

Ward White's shares closed 10p higher at 299p yesterday, while Stanley's shares gained 18p to 303p. Ward White's share alternative, of 23 new convertible shares for every 10 Stanley ordinary shares, has been boosted by £6.54 in cash or loan note. Williams Holdings has indicated that it will take the paper in respect of half its holding.

Lex, Page 18

Bernard Simon and **David Owen** on the problems of meeting power demand forecasts

Ontario Hydro confronts a generation gap

ONTARIO HYDRO epitomises a dilemma faced by electric power utilities throughout the industrialised world. Unless it is to risk having inadequate capacity to meet electricity demand at the turn of the century, North America's biggest power supplier must decide within the next one or two years whether and how to expand its generating base.

Like many of its counterparts elsewhere, Ontario Hydro would prefer to take a breather. Building new power stations is bound to push up generating costs and thus raise electricity tariffs in the province where one-third of Canada's population lives and almost 50 per cent of its industrial goods are produced.

"New plant is incrementally more expensive than existing plant," says Mr Robert Franklin, who took over as Hydro's chairman last January after a 30-year career in financial administration with Canadian National, the state-owned transport and telecommunications group.

Furthermore, any new power project – whether nuclear, coal-fired or hydro-electric – is bound to face a hostile reception from neighbouring communities and a strong environmental lobby. With its chairman and board appointed by the provincial government and its loans guaranteed by the province, Ontario Hydro has to be sensitive to politicians' concerns.

A slowdown in new investment would also enable Ontario Hydro – one of Canada's heaviest borrowers on domestic and international capital markets – to improve its debt and other financial ratios. Capital spending is expected to peak at C$2.8bn (US$2.27bn) this year, falling to C$2bn (in constant dollars) as the Darlington nuclear power station east of Toronto is completed in 1992.

The problem in weighing the pros and cons of new capacity is that unexpectedly strong economic growth in central Canada is upsetting Hydro's consumption forecasts.

Based on a real growth in demand averaging 2.5 per cent a year, Hydro estimates that its existing power stations and the new Darlington plant will be adequate until 1996. The company currently has an installed peak capacity of 30,100 megawatts. Darlington's four units will add another 3,600 MW.

But demand zoomed ahead by almost 5 per cent in 1987, and by no less than 9 per cent in the first three months of this year. "That is worrisome," says Mr Franklin.

With a big power station taking 12 to 14 years to plan, design and build, even an immediate start on new capacity would not put extra electricity into power lines before the year 2000.

Hydro's highest priority is thus to find ways of ensuring that the date when demand overtakes present supply is pushed back from 1996 – or considerably earlier if present consumption trends continue – until the turn of the century. It has adopted a three-pronged approach:

- Some small hydro-electric sites will be developed in the mid-1990s, adding some 1,000 MW to installed capacity. One project involves the "more efficient use" of facilities at Niagara Falls, Mr Franklin says.
- Private electricity users are being encouraged to develop their own generating plants on small rivers. For example, Hydro and Great Lakes Forest Products are to build a plant in northwestern Ontario that will cut the company's call on Ontario Hydro power by about 22 MW.

Hydro is also discussing a plan by InterCity Gas, a gas utility, to build a 75 MW facility which would sell steam to a local pulp and paper mill, and electricity to Ontario Hydro. Attractive rates for electricity purchases and low-interest loans are among the ways in which Hydro hopes to encourage such "parallel generation" projects. Private generating stations are expected to supply a further 1,000 MW by the turn of the century.

- Most important, the utility is looking for ways to dampen demand for electricity by as much as 2,000 MW over the next 12 years. "I'm not after market share," Mr Franklin says. "We're not trying to maximise our profits. We're trying to minimise our costs."

A wide variety of programmes has been launched to conserve electricity use. In announcing a 5.5 per cent average rise in 1989 electricity rates, Hydro last month proposed a "time-of-use" rate structure which will offer discounts for power supplied to municipal utilities and large industrial customers at off-peak periods.

Hydro estimates that 40 per cent of its power is consumed by electric motors. It has begun offering low-interest loans and even grants to customers willing to replace existing motors with more power-efficient models.

Nine companies in the province agreed last year to take part in a new programme which precisely measures the energy consumed by specific stages of an industrial process. Hydro expects the participants' fuel savings to average 16 per cent, with a typical payback period of only one year. In one case, a suggestion by Hydro engineers led a Toronto ceramics company to install a microwave oven – cutting the curing time for its products from 24 hours to six minutes.

Even if these initiatives are successful, Hydro needs to give thought now to the early years of the 21st century. A report on supply and demand published last December is currently being scrutinised with a view to setting the 50 or 60 different criteria which will determine how future growth in electricity needs is to be met. According to Mr Franklin, a plan of action should be ready by mid-1989.

Hydro's flexibility in reaching a decision may be further constrained by its commitment to cut acid gas emissions by 60 per cent between 1982 and 1994.

Low water levels and high energy demand forced the utility to burn 49 per cent more coal than expected in 1987. This resulted in a 25 per cent year-on-year hike in acid gas emissions.

While the discharge was still 30,000 tonnes below the current 430,000-tonne permissible limit, it was far in excess of the 215,000-tonne mark which must be achieved by 1994. In such circumstances, Mr Franklin estimates that any decision to build new "clean" coal stations would push electricity tariffs up by 25 to 30 per cent.

Cost also militates against importing electricity from power-rich Canadian provinces like neighbouring Quebec and Manitoba. Both have embarked on ambitious hydro-electric projects oriented towards exports to the US.

"All the negotiations we have had have been at prices more than twice the cost of generating the power ourselves," according to Mr Franklin. Only some 5 per cent of Hydro's total output is bought from other utilities. About 47 per cent, meanwhile, is supplied by nuclear installations, with the remainder split evenly between hydraulic and coal-fired plants.

Edelman launches $2.8bn bid for Centel

BY RODERICK ORAM IN NEW YORK

CENTEL, a US telephone, electric utility and cable television company, has received a $65 a share takeover bid worth some $2.8bn from Mr Asher Edelman, the New York corporate raider, and Mr George Lindemann, his investment partner.

Their offer is contingent on Centel dropping plans announced late last week to pay $763m for the paging and cellular telephone operations of United Telecommunications.

The investors believe Centel paid about 30 per cent too much for the assets because, for example, most of the cellular telephone interests are in second tier markets or are minority stakes.

Mr Edelman and Mr Lindemann, who is chairman of Metro Mobile CTS, a New York mobile phone company, said Centel agreed on the deal only to thwart their suggestion of a partial or full liquidation of the company.

They have been waging a proxy fight for three board seats at Centel's June 28 annual meeting to press their plan to enhance shareholder value.

If the Chicago-based company persists in the acquisition, Mr Edelam and Mr Lindemann have said they will offer only $60 a share. The stock closed up $4⅞ to $50 on Tuesday after the announcement but it had already risen sharply in recent months because of the Edelman-Lindemann campaign.

Anglo American setback

BY JIM JONES IN JOHANNESBURG

LOWER DIVIDENDS from gold investments and poorer coal profits acted as a big restraint on the past year's earnings of Anglo American Corporation, South Africa's largest mining and industrial group, and partially offset improved revenues from the group's diamond, platinum and industrial interests.

The consolidated pre-tax profit dropped for the first time in more than a decade but a lower tax bill and lesser amounts attributable to minority shareholders in subsidiary companies resulted in a fractional increase in the attributable after-tax profit.

Investment income rose to R1.02bn ($346m) in the year to March 31 1988 from R943m in the previous year. However, poorer trading conditions in export coal markets cut trading income to R274m from R423m and the consolidated pre-tax profit dropped to R1.41bn from R1.54bn.

Memtec in dramatic US expansion

BY CHRIS SHERWELL IN SYDNEY

AN AUSTRALIAN developer of membrane separation devices has dramatically expanded its revenue and manufacturing base by purchasing the filtration divisions of a US group, and plans similar acquisitions in Europe.

The company, Memtec, is paying A$70m (US$56.5m) for Filterite and Fluid Dynamics, the trading names for the filtration businesses of Brunswick Corporation. The US group makes pleasure boats and other recreation products, and has decided to concentrate on these activities.

Memtec was listed in Sydney in 1984 and tha success of its systems to purify and separate water, food and waste products helped it to win an Australian Export Award in the "new exporter" category last year.

The company has distributed Brunswick's products in Australia for the past 18 months. Its acquisition will add sales equivalent to A$65m to its own expected turnover this year of A$35m, and will complement its manufacturing operations, product lines and distribution.

The purchase is being made by Memcor, Memtec's 45 per cent-owned North American operation, with a six-month loan. It will sell Brunswick's European and Japanese operations to Memtec affiliates in London and Tokyo and refinance the A$60m balance with a A$30m long-term debt facility and a A$30m equity raising, in which Memtec will take up its A$15m share.

Until now, half of Memtec's revenues have come from licensing its own membrane filtration and separation technologies and the remainder from its own manufacturing operations. In future its licensing revennes will be closer to 10 per cent of the total.

Mr Michael Quinn, one of the company's directors, yesterday promised more acquisitions over the next 12 months as part of this strategy to develop its operating earnings base. Britain is the next most likely focus of attention.

Earlier this year, Memtec was negotiating with Portals of the UK to buy its water treatment division. The deal was called off when Portals withdrew from the sale.

Memtec's main shareholders, apart from its three key management executives, are institutions. None holds more than 10 per cent of the company. Baxter Travenol, the US group, once held a 20 per cent stake but sold it in 1986.

Gulf Air expects bigger loss for 1987

By Robin Allen, recently in Bahrain

GULF AIR, the airline owned by the governments of Abu Dhabi, Bahrain, Oman and Qatar, expects to report losses for last year of around BD3m to BD4m ($7.9m to $10.6m), against a BD2.2m loss in 1986.

Mr Ali Ibrahim al-Malki, its president, attribntad the increased loss to declining yields from fewer passengers. In 1985, tha airline made a BD13.7m profit, but since then the market has continued to shrink with the departure from the Gulf area of some 1m expatriates. Last year, Gulf Air carried 2.6m passengers compared with 3m in 1985.

However, the market had now stabilised, albeit at a lower level, Mr al-Malki said. Following the revamping this year of the carrier's strategy, marketing and fleet planning, Gulf Air expected to "turn the losses around in 1988."

Gulf Air has signed an inter-airline agreement with TWA of the US, which takes effect today. Gulf-based passengers can buy through tickets to New York via London without changing aircraft. Once in London, the Gulf Air plane will take on a TWA flight crew and cabin staff.

Gulf Air will have six flights a week to New York and more are expected to be put on after October. Tha airline is also starting flights this summer to Vienna and Cologne.

Volkskas purchase keeps earnings ahead at UBS

BY JIM JONES IN JOHANNESBURG

NARROWER interest margins and lower investment incoma combined to reduce pre-tax profits of UBS Holdings, the South African financial group which controls United Building Society, the country's largest building society.

Interest received on advances fell to R1.19bn ($531.4m) in the year to March from R1.25bn. Interest paid on deposits was lower at R922m against R968m and investment income dropped to R129m from R155m.

The year's pre-tax profit was R189m against R210.3m, bnt net income attributable to shareholdars increased to R125.7m from R105.4m as the share of profits of Volkskas, one of the two big acquisitions made during the year, were taken into account.

The directors say the two years' results are not strictly comparable as the company was incorporated only in October 1986 when the building society ceased to be a mutual company and issued shares.

During the year, UBS acquired 30 per cent of Volkskas, South Africa's fourth largest banking group, and 30 per cent of Commercial Union South Africa (Cusaf), the composite insurer managed by Commercial Union Assurance of the UK. An equity-accounted share of Cusaf's profits was not included in the results.

Net earnings rose to 51.3 cents a share from 49.2 cents and a total dividend of 24 cents has been declared against a single final payment of 13 cents at the end of the previous year.

United Industrial to gain control of Roxy Electrical

BY WONG SULONG IN KUALA LUMPUR

CONTROL OF Roxy Electrical Industries, a troubled Malaysian investment company, is expected to pass to United Industrial Corporation (UIC), an emerging Singapore conglomerate, under a capital injection exercise.

Roxy is to make a one-for-one rights issue to raise 135.6m ringgit (US$52.5m). UIC has obtained entitlements from certain Roxy shareholders for 51m shares representing 18.8 per cent of Roxy's enlarged capital.

In addition, UIC has agreed to sub-underwrite the rights issue, being made at 1 ringgit par value, in full. Since the Roxy share price was only 95 cents before its suspension last week, it is likely that UIC will end up with a large amount of the issue.

In the event of UIC obtaining a stake of more than 33 per cent, the Malaysian panel on takeovers and mergers has agreed to waive the need for a general offer, while UIC has also obtained permission from Bank Negara, the Malaysian central bank, for clearance. Roxy has interests in banking, insurance, property davalopment, manufacturing and trading. Its biggest asset is a 33.2 per cent stake in Development and Commercial Bank.

Last year, Roxy fell into loss after write-downs on investments in shares and property. Mr Alex Lee, a deputy minister, and his family are the biggest shareholder in Roxy, and held 35 per cent by the date of the 1986 annual report. Since then, creditor banks have sold shares pledged as collateral for loans.

JAPANESE COMPANY RESULTS: Our Tokyo Staff reports

Toshiba lifts profits for first time in three years

TOSHIBA, the Japanese electronics group, yesterday announced its first increases in consolidated profits and sales for three years.

Worldwide net profits were 77.6 per cent higher at Y60.7bn ($484.8m) on sales of Y3,572bn, up 8 per cent. Strong domestic demand was the main reason behind the improvement, as the company said in presenting its parent company results a few days ago.

Communications and electronic devices, which inclnde semiconductors, posted the biggest gains, with a 15 per cent sales increase.

Toshiba forecasts a 2 per cent rise in consolidated sales this year and a 16.9 per cent increase in net profits.

Advance by Ajinomoto

PRE-TAX profits of Ajinomoto, Japan's leading integrated food products group, rose by 3.5 per cent to Y31.7bn ($253.2m) in the year to March.

The company attributed the gain, the 12th in succession, to firm sales of frozen foods, soups and other food products, and to pharmaceutical and amino acids sales.

Overall, sales rose 1.5 per cent to Y432.5bn. A decline in sales of oil products and seasonings resulting from lower raw material prices was offset by strong sales in other products.

Net profits rose by 7 per cent to Y14.1bn or Y22.31 per share. The gronp is forecasting a pre-tax profit of Y32.5bn, np 2.5 per cent, in the current year.

Strong domestic demand boosts car manufacturers

SECOND-RANKING Japanese car manufacturers, which have benefited in recent years from increased sales of mini-cars, continued to improve turnover and profits last year with higher domastic sales of vahicles reflecting strong demand for second cars in households as well as for replacements.

Mitsubishi Motors, which is controlled by Mitsubishi Heavy Industries and has Chrysler of the US as a minority shareholder, reported pre-tax profits for the year to end-March up by 33.9 per cent to Y23bn ($183.7m) on sales 12.4 per cent higher at Y1,753bn. The company said that exports were little changed but domestic sales advanced by nearly 14 per cent, with solid increases in sales of large trucks and of medium-sized passenger cars. Sales of mini-cars were flat, however.

Daihatsn Motor, reporting results for the nine months to March, said sales increased by 6.6 per cent to Y446bn and pre-tax profits were 29.6 per cent higher at Y8.8bn. Net earnings were lower, however, at Y4.1bn compared with Y5.1bn.

The company forecast sharply increased profits of Y12bn before tax on sales of Y640bn for the full year, due to continuing strong demand for mini-cars.

Fuji Heavy Industries, the manufacturer of Subaru mini-cars, aircraft, engines and railway rolling stock, said that its pre-tax profits advanced by 9.8 per cent to Y16.3bn in the year to March.

Total sales fell by 4.1 per cent to Y686.2bn because of sluggish exports. Car sales were 4.3 per cent lower at Y577.5bn. For the current year, the company expects its pre-tax profit to rise to Y16.51bn.

RESULTS IN BRIEF

COSMO OIL
OIL WHOLESALING

Year to	Mar 88 Y	Mar 87 Y
Revenues (bn)	1,297	1,384
Pre-tax profits (bn)	16.51	15.38
Net profits (bn)	6.94	5.85
Net per share	12.76	10.76
Dividend	5	5
PARENT COMPANY		

GENERAL SEKIYU
OIL REFINING

Year to	Mar 88 Y	Mar 87 Y
Revenues (bn)	446.0	438.7
Pre-tax profits (bn)	11.33	4.47
Net profits (bn)	7.46	2.30
Net per share	55.15	16.97
Dividend	23.75	16.25
PARENT COMPANY		

HITACHI CABLE
WIRE AND CABLE

Year to	Mar 88 Y	Mar 87 Y
Revenues (bn)	233.0	211.1
Pre-tax profits (bn)	15.35	13.79
Net profits (bn)	7.91	6.23
Net per share	21.67	18.51
Dividend	7.50	7.50
PARENT COMPANY		

JOSHIN DENKI
ELECTRICAL STORES

Year to	Feb 88 Y	Feb 87 Y
Revenues (bn)	108.1	88.3
Pre-tax profits (bn)	8.09	5.80
Net profits (bn)	4.08	2.39
Net per share	88.07	56.02
CONSOLIDATED		

KONICA
CAMERAS, COPIERS

Year to	Apr 88 Y	Apr 87 Y
Revenues (bn)	329.3	298.9
Pre-tax profits (bn)	11.84	11.57
Net profits (bn)	6.80	5.13
Net per share	19.40	16.05
Dividend	10	10
PARENT COMPANY		

MITSUMI ELECTRIC
ELECTRONIC COMPONENTS

Year to	Jan 88 Y	Jan 87 Y
Revenues (bn)	116.7	116.2
Pre-tax profits (bn)	−1.78	−0.34
Net profits (bn)	−0.63	0.09
Net per share	−14.27	1.97
CONSOLIDATED		

NIKON
CAMERAS, OPTICALS

Year to	Mar 88 Y	Mar 87 Y
Revenues (bn)	170.4	164.2
Pre-tax profits (bn)	5.69	1.18
Net profits (bn)	2.31	1.29
Net per share	6.39	3.70
Dividend	5	7.50
PARENT COMPANY		

NIPPON EXPRESS
TRANSPORT

Year to	Mar 88 Y	Mar 87 Y
Revenues (bn)	924.6	871.4
Pre-tax profits (bn)	23.81	21.69
Net profits (bn)	5.83	8.16
Net per share	8.82	8.32
Dividend	5	5
PARENT COMPANY		

NIPPON MINING
PETROLEUM REFINING, METALS

Year to	Mar 88 Y	Mar 87 Y
Revenues (bn)	709.9	645.7
Pre-tax profits (bn)	24.02	10.93
Net profits (bn)	4.75	3.45
Net per share	6.02	4.39
Dividend	4	4
PARENT COMPANY		

NIPPON OIL
PETROLEUM DISTRIBUTION

Year to	Mar 88 Y	Mar 87 Y
Revenues (bn)	1,726	1,726
Pre-tax profits (bn)	28.84	19.73
Net profits (bn)	16.74	10.02
Net per share	15.98	9.67
Dividend	7.50	6
PARENT COMPANY		

ONODA CEMENT
CEMENT, LIMESTONE

Year to	Mar 88 Y	Mar 87 Y
Revenues (bn)	186.9	181.5
Pre-tax profits (bn)	15.45	11.23
Net profits (bn)	5.42	2.40
Net per share	18.28	5.30
Dividend	5	5
PARENT COMPANY		

SHIN-ETSU CHEMICAL
RESINS, ELECTRONIC MATERIALS

10 months to	Mar 88 Y	Yr May 87 Y
Revenues (bn)	185.1	207.0
Pre-tax profits (bn)	18.18	17.85
Net profits (bn)	8.94	8.88
Net per share	28.54	629.47
Dividend	6	6
PARENT COMPANY		

SUMITOMO METAL MINING
METALS

Year to	Mar 88 Y	Mar 87 Y
Revenues (bn)	429.2	315.8
Pre-tax profits (bn)	7.52	0.88
Net profits (bn)	2.29	0.37
Net per share	5.50	0.89
Dividend	4	3
PARENT COMPANY		

TOKYO BROADCASTING SYSTEM
TELEVISION, RADIO

Year to	Mar 88 Y	Mar 87 Y
Revenues (bn)	160.4	142.2
Pre-tax profits (bn)	11.70	8.12
Net profits (bn)	5.10	3.42
Net per share	31.41	25.36
Dividend	7.50	6.50
PARENT COMPANY		

TOKYU
TRANSPORT, PROPERTY

Year to	Mar 88 Y	Mar 87 Y
Revenues (bn)	222.2	220.8
Pre-tax profits (bn)	11.00	10.99
Net profits (bn)	5.57	5.00
Net per share	5.70	5.65
Dividend	5	5
PARENT COMPANY		

TOYO SEIKAN
CANS, PACKAGING

Year to	Mar 88 Y	Mar 87 Y
Revenues (bn)	437.7	386.3
Pre-tax profits (bn)	41.91	35.43
Net profits (bn)	16.07	13.77
Net per share	95.60	83.95
Dividend	7.50	8.75
PARENT COMPANY		

Winterthur keeps up its acquisition spree

BY WILLIAM DULLFORCE IN GENEVA

WINTERTHUR, Switzerland's third largest insurance group, is still on the acquisition trail despite several recent purchases, according to Mr Peter Spaelti, its managing director.

More heavily weighted in domestic business than the other big Swiss insurers, Winterthur has the resources to expand internationally, even in high-growth markets where competition is set to sharpen, Mr Spaelti said.

He said the European Community provided 90 per cent of the non-life and 82 per cent of the life insurance markets in Europe.

Last month alone, Winterthur agreed to buy the Intercontinentale insurance group in Italy, obtained a majority stake in CIC Holdings of Sydney through Norwich Winterthur, its Australian joint venture, and took over a small non-life group, Southern Guaranty, in Alabama.

Its biggest recent purchase was the 37.2 per cent share in Nordstern Allgemeine Versicherung, which it negotiated last July and hopes to expand into majority control.

Winterthur posted a 10.3 per cent increase in net profit to SFr115.9m ($81m) for 1987 and is paying an unchanged dividend of SFr60 per share and SFr12 per participation certificate.

Consolidated gross premium income advanced 6.3 per cent to SFr8.1bn, the appreciation of the Swiss franc disguising what would have been a 12.6 per cent climb in local currencies.

Almost 55 per cent of the premiums were generated in Switzerland, about 14 per cent in North America and the rest in Europe.

KIO unit to buy Swiss biotechnology centre

BY WILLIAM DULLFORCE IN GENEVA

CEL INDUSTRIES, the Canadian group which is 60 per cent owned by the Kuwait Investment Office, is taking over the biotechnology operation of the Battelle Research Centre in Geneva for an undisclosed sum.

Battelle, the world's largest contract research organisation based in Columbus, Ohio, will retain an equity stake in the new business, which is to be named IntraCel.

The announcement is of special interest because, compared with its investments in other European countries, KIO has so far kept a low profile in Switzerland.

This was believed to be due to the absence of agreements between the two countries on double taxation and repatriation of profits, as well as the strict Swiss law governing the acquisition of real estate by foreigners.

Earlier this year, however, Swiss and Kuwaiti officials discussed these barriers to Kuwaiti investment. The KIO or the Kuwait Petroleum Company were then reported to be interested in Gatoil, a Swiss oil company.

CEL Industries said it will invest more than C$10m ($8.3m) in the next two years to bring IntraCel products to market. It plans to increase the research staff from 30 to 60 in the same period.

According to Dr P. Bromley, president of the new company, IntraCel has several products with a market potential "easily in excess of C$100m."

It will acquire rights to "around 30 pieces of intellectual property," Dr Bromley said. It hopes to establish "strategic partnerships" with major companies in Europe, Japan and the US.

Novel "gene expression systems" applicable to genetic engineering of new medicinal proteins were among the products mentioned. A new molecular anti-cancer drug delivery system could be adapted to treat AIDS, Dr Bromley said.

CEL already partners Senetek of the UK in the development and marketing of two early diagnostic tests for Alzheimer's disease.

Peter Marsh examines attempts by a West German chemicals group to react to changes in world markets

Hoechst aims for a richer management mixture

BIG West German companies are commonly thought of as over-centralised, slow-moving and dour. In the past, these terms have certainly fitted Hoechst, one of the big three German chemicals companies.

But if Mr Gunter Metz, *Hoechst's deputy chairman*, has his way, the adjectives will soon be thrown out for good as descriptions of the way his organisation operates.

According to Mr Metz, a tanned and dapper 53-year-old with a degree in business administration and a background in marketing, Hoechst is trying hard to change its ways. In efforts to react more quickly to changes in the global market place, the company is creating more business units within broad product divisions and giving management in these areas more decision-making powers.

"We are trying to create a global strategy," says Mr Metz. "In the past, Hoechst in Frankfurt has been at the centre, and everything (in the company's subsidiaries) has stemmed from us. We will still be the centre for many things but we will treat the other parts of the company in different ways. You will see more of a decentralised approach as time goes on."

The deputy chairman, who has a reputation for outspokenness not generally associated with senior German executives, acts as something of a foil to Hoechst's more lugubrious chairman, 58-year-old Mr Wolfgang Hilger. This month, Mr Metz, who has been at Hoechst for 25 years, will have a wider platform for his views, taking over as president of CEFIC, the Brussels-based trade body for the European chemicals industry.

As Mr Metz is the first to admit, the company's spectacular takeover early last year of Celanese, the big US chemicals group, acted as a catalyst for the group's general management rethink.

Mr Metz is widely credited for being one of the main architects of this purchase, along with Mr Juergen Dormann, 48, the company's highly regarded finance director.

In paying $2.85bn for Celanese, Hoechst greatly added to its North American activities, which in 1987 accounted for 21 per cent of total turnover of DM36.95bn ($21.4bn) compared with 13 per cent prior to the acquisition. This huge turnover, on which Hoechst made a pre-tax profit last year of DM3.11bn, a 10 per cent increase on 1986, is split between a broad range of chemical products, including both bulk and specialist plastics, agrichemicals, fibres, dyestuffs and drugs.

Gunter Metz: trying to change the old centralised ways

With Celanese lumped in with Hoechst's previous US operations in what is called the Hoechst Celanese Corporation (HCC), the German company is the owner of a megagroup which is the US's fifth biggest chemicals concern.

It would not have been sensible, as Hoechst executives concede, to treat this as just another national subsidiary. Moreover, Celanese, in its days of independence, had already had a strong decentralised spirit, with different divisions scattered around the US each given broadly autonomous decision-making powers.

After a reshuffling exercise that took up virtually all of last year, Hoechst has installed mainly US management at the top of HCC. "The top people at HCC are given a large amount of control over how they run the business," says Mr Metz. "Our main task (in Frankfurt) is to select the right people to run the company and leave them to get on with the job."

So far, says Mr Metz, the assimilation has been a success. He is cautious enough to point out, however, that Hoechst was fortunate that the takeover took place during a generally good business climate in which chemicals demand in North America, as in most other developed nations, has been strong, putting relatively few strains on the integration process.

Following on from the Celanese purchase, it was only natural to try out some of the ideas regarding decentralised management in other parts of the group. The ideas are still new enough to Hoechst for the deputy chairman to describe them as an experiment.

What he means is the handing out of greater responsibilities in areas such as sales, marketing and research strategies to managers in Hoechst's different divisions such as fibres and plastics. Moreover, there has been a splintering in these units to create more semi-autonomous entities. For instance, both the plastics and fibres divisions are subdivided into about 10 groups which take decisions over marketing and other matters regarding specific grades of product or application areas.

Mr Metz also says the company has to be quicker to react to changes in customer demand for chemicals. As many other companies have also been quick to notice, demand in recent years has been splintering increasingly to emphasise different types of products in a huge variety of niche areas.

Mr Metz points out, for example, that 10 years ago high-density polyethylene, one of Hoechst's basic products, was sold in just a few grades. Now the number is 50 to 60, the particular type being sold depending on a specific application in industries as varied as construction, cars, industrial goods and toys.

In the area of research and development, where Hoechst spends DM2.2bn a year, half of this on pharmaceuticals, Mr Metz says the company must continue this trend towards fast reactions. "We must be quicker to shift our priorities, possibly stopping research projects earlier than we would have done in the past. Our research people will have to be *more profit-orientated.*"

Now it has dipped its toe in the waters of megascale international takeovers, Hoechst is thought likely to continue to build up the overseas part of its business. Last year, German sales accounted for only about a quarter of turnover compared with 29 per cent the year before.

Mr Metz says the group will be looking increasingly for joint ventures with companies in other parts of the world, particularly in Japan, where Hoechst, in common with many other European chemicals concerns, is relatively weak.

As a first step towards building up its activities, Hoechst is considering adding a materials-research capability to its existing drug research and development centre in Japan. Showing just a trace of the traditional German dourness which, in many of the areas of running the company, they are trying hard to leave behind, Hoechst executives are, however, not too keen to give details of the company's plans on this score.

Nat-Ned ahead after turnround

By Laura Raun in Amsterdam

NATIONALE-Nederlanden, the largest Dutch insurance group, said net profits climbed in the first quarter because of a dramatic turnround in lines other than life insurance.

Net profits rose 9 per cent to Fl 128m ($66.6m) in the January to March period from Fl 117m a *year earlier.*

Non-life insurance moved into the black with a small Fl 300,000 profit compared with losses of Fl 37m in the first quarter of 1987, although motor, accident and sickness lines remained in the red.

Trelleborg lifts profits sharply after strong demand

BY ROBERT TAYLOR, NORDIC CORRESPONDENT, IN STOCKHOLM

TRELLEBORG, the Swedish industrial group with interests in rubber, plastics, mining and chemicals, reported a 101 per cent increase in profits (after financial *items) for the first four months* compared with the same period of last year.

The company announced that profits had risen from SKr308m to SKr620m ($104.2m) as a result of an acquisition and strong demand through most of its product range.

Consequently, the company said it had revised its profits increase forecast for the whole of 1988 upwards by as much as 70 per cent compared with last year's performance.

It now estimates profits will reach SKr1.5bn *instead of* SKr1.2bn as first predicted.

Turnover in the first four months totalled SKr6.6bn compared with SKr5.1bn for the same period of 1988.

Last year's success at Trelleborg was due almost entirely to the acquisition of Boliden, the Swedish metals and mining, chemicals and trading concern.

Pernod acquires Yoo-Hoo Industries

PERNOD RICARO, the French drinks group, has acquired Yoo-Hoo Industries, a privately-owned US group which produces chocolate drinks, writes Our Financial Staff.

Pernod said the deal was via Austin Nichols, its US unit

Stena steams towards the bourse

Sara Webb on the Swedish ferry group's plans to raise new capital

STENA LINE, the Swedish passenger ferry group which plies the routes between the Nordic countries, plans to raise about SKr700m ($117m) in new capital from the stock market this summer in order to expand in the ferry and hotel business.

At the moment, Stena Line is wholly-owned by Stena, a family company with interests in the tanker and bulk carrier business as well as the offshore and real estate sectors.

The stock market issue, however, *would place 50 per cent of* the capital and 25 per cent of the voting power in the hands of employees, institutions and private investors while leaving Stena as the majority owner.

Mr Lars-Erik Ottosson, chief *executive officer of Stena Line,* believes the issue would achieve two things. First, the money raised would help to cover the substantial investments in ferries and hotels made in the past 18 months. Secondly, it would mean that *in future Stena Line could* channel more of its profits into expanding its business areas.

Mr Ottosson says: "In the past, Stena Line has had to give 90 per cent of its profit to the mother company (Stena), but now we *should be able* to invest *about* SKr300m every year." He points out that much of the profits of the ferry business had been diverted into the parent company's unprofitable offshore operations, which consist of an oil rig and subsea support vessels.

In the last financial year (1986-87), Stena Line made profits (after financial items) of SKr162m on turnover of SKr2.116bn. It expects profits to rise to SKr210m on sales of SKr2.561bn in the current year and has forecast profits of SKr240m on turnover of SKr2.71bn for the following year.

Stena Line started off as a normal cross-channel ferry service, but has gradually moved into the mini-cruise and conference markets. Today, about 80 per cent of the company's turnover stems from the ferry business. Of this, 45 per cent is holiday travel, 10 per cent stems from business conferences, and a further 45 per cent from pleasure excursions.

Its hotel operations consist of four hotels in Scandinavia. The company has recently decided to enter the fast food business, setting up Burger King chains in the Nordic countries. "In the US, fast food outlets account for 30 per cent of eating places whereas in Sweden they account for only 6 per cent," says Mr Ottosson, who believes there is plenty of room for expansion.

At present, Stena Line faces little competition on its main routes (its chief competitors are Larvik, Fred Olsen and Dano-Line) and is optimistic about the growth of the leisure and conference industry. It is fairly common practice for Swedish companies to offer their employees a mini-break away from the office in the guise of a conference session.

One analyst says: "It is one of the few non-taxable employee perks a company can offer with the added advantage of allowing employees to buy duty-free goods."

However, there are two potential black clouds on the horizon for the ferry business. One is the proposed Oresund road-and-rail bridge, which would link the southern Swedish city of Malmo and Copenhagen, the Danish capital. It could also steal a significant chunk of the passenger and freight business from Stena Line.

The second problem concerns tax-free sales, which at present account for 20 per cent of Stena Line's turnover.

The high alcohol prices in Sweden mean that the duty-free shops on ferries only need to reduce prices by 10 per cent to make them attractive to customers while still ensuring high margins.

However, many analysts question whether this advantage will remain after 1992 if the Common Market goes ahead with plans to abolish tax-free sales. For the ferries, it could spell the end to an important money-spinner.

Investment

Some coins more equal than others

LONDON, 1 June. The multitude of coins available today places many a novice in a quandary. They are offered io all sizes and designs, and at all price levels through ads or at hanks or coin dealers.

Caveat emptor. Not all that glitters is a coin. Basically, there are five different types.

1. Bullion Investment Coins. Gold bullion investment coins are sold solely for the intrinsic valuc of the precious metal. They are produced in large numbers by major gold producing countries, such as Canada, Australia and U.S., thus are traded at a small premium over the actual price of the metal. As they are a pure investment vehicle, like gold bars, they have no numismatic value. They are favored over gold hars hy investors as a store value, as they are more transportable and easier to trade. The value is easy to keep track of, as their price is hased upon the daily fixing of gold.

2. Numismatic Coins. In general, these are coins which are bought by collectors for their beauty, as opposed to the value of their precious metal content. However, a truer definition would include those coins struck prior to 1804. Tbe price has no relation whatsoever to the actual value of the metal. The factors determining the price of a coin are rarity, age, and conditioo or ... of the strikiog.

3. Semi-numismatic Coins. These are coins that were struck after 1804, however prior to 1850. The same criteria as tbose used with numismatic coins are used in determining their value. The huying and selling of one of these coins is, however, easier since they are available in greater quantities than those struck prior to 1804.

4. Current Coins. Current coins are those struck after 1850 and were in circulation during the time of the gold standard. There are still large quantities of these coins available today. The price is related to their gold content plus a fairly high agio.

The collecting of numismatic and semi-numismatic coins can also he considered a form of investing, however usually it is merely a rather expensive hohhy. Current coins fall into a category between hohhy anc ... vestment, since they also maintai ... value, even if the price of preci ... ould fall.

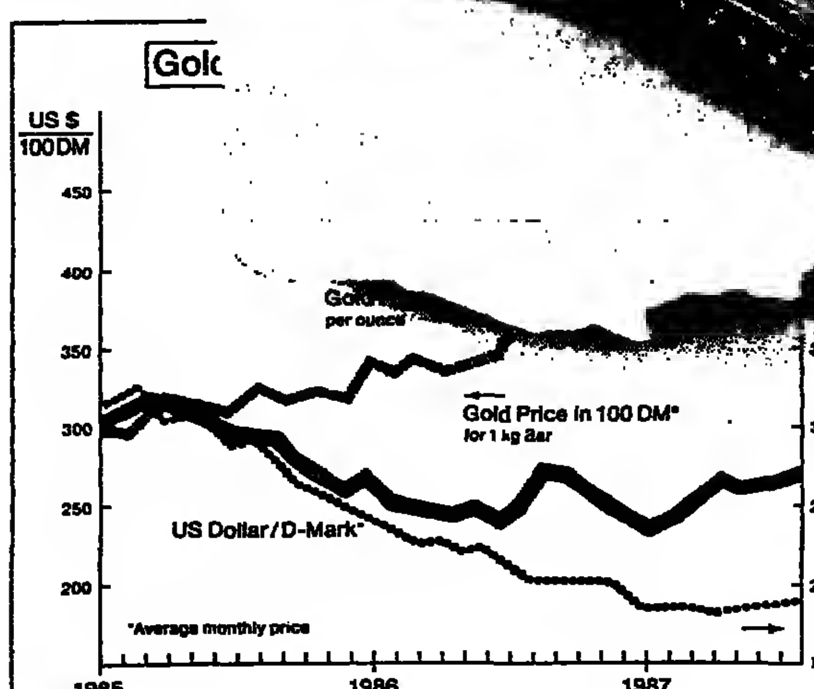
5. Medallions. ... col- lectahles, hu ... dered an investme ... ued at some s ... an annivers ... in value i ... ced and t ... ally ... ays a ... o ...

Is ... in

NEW YORI ... hlems in the ... United States ... ing the expert ... bealtb of tbe ... questioo if thi ... or are more ... closing, resulting ... all their customer ... point to similarities to ... to tbe crasb of '29, just ... have arguments to point o ... different. This adds to the co ... uncertainty ... around for a safe h ... before it is lost to ... failure.

All paper instru ... or securities, are s ... tions caused by i ... control of fin ... government hodies. ... out that precious meta ... gold, offer tbe ideal store of va ... valuc is intrinsic and not ... that of paper money.

Gold is international ... to the fortunes of any ... hanking system. It can bri ... sense of security, as it ... surance policy a ... would come in a t ...



Source: Commerzbank

Cavelti "Time-proven investment"

Since the price of gold was freed in 1970 to move with market forces, it has risen to new heights, and fallen just as often.

Precious metal and finance experts contioually try to analyze the price development. But, the gold metal remains unpredictable. Rising or falling dollar exchange rates, wars, and financial crises are no longer a guarantee for a rise in the price of gold.

The peak in the price of gold was reached at $850 for one ounce in 1980. Curreotly, the price ranges between $400 and $500. In spite of this, investment advisors recommend to follow the goldeo rule – hold teo to fifteeo percent of an investment portfolio in gold.

Thc reason is simple, explains Peter C. Cavelti, President and Chief Executive Officer of Cavelti Capital Management Ltd. in Toront, Canada, and an internationally recognized expert on precious metals: "Gold is an unbeatahle investmeot vehicle that protects prosperity at all times, even during crisis." Cavelti has banking experience in U.S., Africa and Asia and belongs today to the most sought-after precious metal advisors.

Gold Maple Leaf makes a breakthrough

World's gold coin standard / Grows in popularity / Even attractive for small investor.

OTTAWA, 1 June. Gold, prized as a store of wealth over the ages, has not lost its shine even in the age of high technology and cashless transactions. This has been felt recently hy thc Royal Canadian Mint. According to a spokesman for the Mint, demand for the Gold Maple Leaf, the Canadian gold bullion coin which is struck in four sizes, has recently been hrisk. Observers of the financial world contrihute this to various factors. The primary reason is felt to be its universal recognition which ensures ease of trading wherever gold is sold around the world. Of almost equal importance is its unusual purity of .9999 or 24-carat. Most other gold coins rarely exceed .916 or 22-carat, the purity of the South African Krugerrand (which is no longer being produced).

A further aspect is that the Gold Maple Leaf is legal tender in a country known for political stability and for being a dependable trading partner. Since the coin is easily convertable currency, it is sold in most countries free of a value added tax. This is true in Luxemhourg, Switzerland and Austria, while a minimal tax is charged in Belgium (1%) and Holland (4%).

Sioce the Gold Maple Leaf is struck in ... sizes, it is able to satisfy the varying ... needs of all investors. It is ... e full troy ounce of pure ... 1/4 and 1/10 ounce of ... the ...

... belong today, according to ... mendation of most banks a ... experts, in every individua ... portfolio. The question is w ... best way to own gold?

The choice between bullion co ... bars, certificates or a precious met ... account depends upon the wants and needs of the individual investor. In addition, such aspects to consider are the availability of gold, the possibilities for resale and also personal taste of the ultimate owner.

Weight and Purity. Traditionally, the gold trade has dealt in troy ounces – one troy ounce equals 31.1035 grams. Today, however, the metric weight system is also accepted and used, thus gold is *available in grams, kilos and tons.*

Of particular importance is the purity or fineness of the gold. With small bars, or wafers as they are sometimes called, and the leading bullion coins, such as tbe Gold Maple Leaf, a purity of .9999 is normal. This means that the given piece contains no more than one ten thousandth of foreign matter. However, it really means that a greater purity is not possible nor really necessary.

Coins – solid and liquid. One differentiates, more or less, between numismatic coins and newly minted coins, or the so-called bullion iovestment coins. Nu-

the benefits of owning gold. The Gold Maple Leaf, which has been available since 1979, is produced only from gold mined in Canada.

This accounts for its unusual yellow color compared to coins mixed with alloys. The use of Canadian gold is a requiremeot of the charter of the Royal Canadian Mint and it serves to support the Canadian mining industry. Gold was first discovered in Canada in 1858 and has heen continually mined ever since. Canada is currently the third largest producer of gold in the world.

This objective is clearly being fulfilled, as indicated hy sales results of the Canadian coin. Since its introduction in 1979, over 11 million Gold Maple Leaf coins – that's over 300 tons! – have been sold around the globe. The biggest jump came in 1985, when sales doubled. This was caused by a favorable price of the precious metal and an increasing interest in this bullion investment coin, following the demise of the South African coin.

Why do more and more investors prefer hullion coins to its cousin, the gold bar, or wafer as it is sometimes called? One key reason is their liquidity – a coin enjoys universal recognition and can't be counterfeited. Gold bars may enjoy a solid reputation in their local market, bowever usually require a ... and time-consuming assay in other p... of the world. Gold hullion coins are ... governments, ... t and ...

... ample, ... ent coins ... – 1 ounce, ... ounce – so that inv ... gold to meet their i ... means or needs.

Most bullion coins enjoy international recognition and cannot be counterfeited. They can be exchanged for cash on demand most anywhere in the world wbere gold is traded. This contrasts to gold bars, which have been known to be counterfeited, thus usually require an assay to determine their purity. This is not only costly for the seller, but also takes time and requires formalities. The price of the leading coins can be found in the financial pages of most major newspapers. Or it can be determined from the daily fixing of gold. Many countries impose a sales tax on gold coins, as well as bars.

Bars-Familiar but not universally recognized. The majority of bars sold today range from 1 gram up to 12.5 kilograms. The small bars are produced al a purity of .9999 fine gold. The trade accepts only bars from a reputable refinery which have a serial oumber. Wheo tbere is

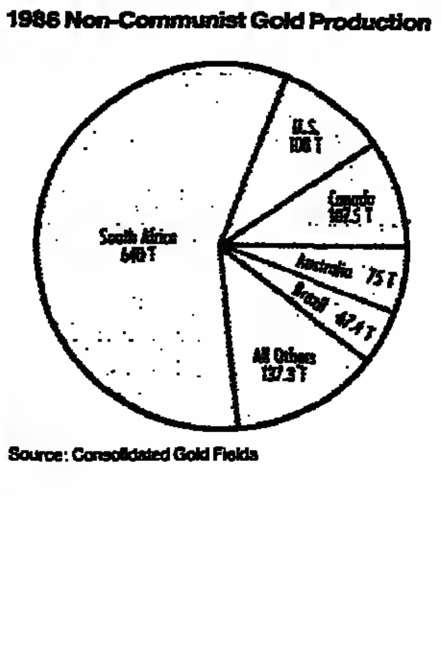
respect, the Royal Canadian Mint is especially strict. Although the purity of each Gold Maple Leaf is given as .9999, it is actually closer to .99995. The weight on each coin is strictly controlled, with the weight struck on the coin being a minimum guaranteed by the Government of Canada. Independent tests have even shown that the coins are all above the minimum, showing that the Royal Canadian Mint gives a little gold away to ensure they meet the guarantee. No other coin has yet to show similar results.

It is fair to point out that a gold coin, and a bar for that matter, provides the owner with no interest. However, it can be still considered an investment instrument, hut for other reasons. This is because it is a speculative object. But, more significantly, gold has been proven over time to be the surest store of value. Gold bullion coins will not multiply but, as the saying goes, they hring peace of mind. They can anchor a portfolio that is made up primarily of more speculative instruments, as they will gain in value when others are losing theirs. Inflation and economic crisis only eat up other investments, while feeding the value of gold. That's why most experts agree that 10 to 20% of a portfolio must be in gold. An ideal way to keep this golden r... with Gold Maple Leaf bullion ... With no guarantee of the fut... ..., it is comforting t... ... purity and weight ...

... bar a ... coins, ... Taxes vary by ... usually similar to ... The price is directly relat... ... fixing of gold, which is qu... ... ances.

Gold Certificates – Paper as good as gold. The advantage of this form of investment in gold is that no tax is levied on the ownership of gold. The precious metal remains in the possession of a hank, which usually maintains this in a no-tax area. The disadvantage is that there is usually a minimum purchase amount, that varies from bank to hank – for example 10 Gold Maple Leafs or 500 gram bars – which makes this form unattractive for small investors. Another factor is that one doesn't have possession of the gold, which rednces some of the psychological benefit of owning gold.

1986 Non-Communist Gold Production



Source: Consolidated Gold Fields

Investment can also be beautiful

FRANKFURT, 1 June. The Royal Canadian Mint created not only a major bullion investment coin, hut also a coin recognized and appreciated around the world for its beauty. Although this is not the main criteria in choosing an investment instrumeot, many find added value in the quality of the design and striking.

As with all Canadian currency, the front depicts the effigy of Queen Elizabeth II, reflecting the historical relationship with England. The reverse side shows the symbol of Canada, a maple leaf, which has been captured to perfection by thc engraver.

Prominently displayed are also the key facts about the coin, such as its origin; value (either $50 Cdn, $25 Cdn, $10 Cdn or $5 Cdn); weight (either 1, 1/2, 1/4, or 1/10 ounce); purity – .9999; and date of striking. The first coin was struck in 1979.

Success doesn't always travel

FRANKFURT, 1 June. Anonymous sources in banking circles in Frank- ... ch and London indicate that ... ns do not enjoy the same level ... in Europe as they do in their ... markets. The European investor ... to favor more traditional ... products, such as small bars or ... er established Gold Maple

... erts say that less popular coins ... do not enjoy the same li... ... popular coins.

... and ... advise ... of gold ... investment. ... Canadian Mint, ... the world's largest- ... investment coin, ... oduce a proof set of ... ple Leaf.

... for the Mint, ... urch, has said "It ... to critical analy- ... tors want bul- ... ins due to their ... also due to the ...

... does not ... having a ... l bullion ... ment coin.

... and downs of gold coin

... AN, 1 June. Leading ... point to the alarming statis- ... 1% of the U.S. households ... 5% of all the assets. This ... tuation in the late 20's. ... ately led to the cur- ... the middle and ... re over-extended ... y. The result is ... placed upon the ... ancial institutions. Parallel to this is the increasing interest in speculation among the moneyed few, forcing the stock market to test its limits daily.

Gold production up

OTTAWA, 1 June. With a yearly production of over 100 tons (107 tons in 1986), Canada is third largest producer of gold in the non-communist world.

The first discovery was made in 1858 at Cariboo, British Columbia. Today, forty-one mines produce the majority of this precious yellow metal. However, prospectors still roam the backwoods, searching for the hidden lode and dreamed-of riches.

The greatest amount of gold is mined in Ontario. Recent discoveries in the region around Hemlo made beadlines around the world and boosted share prices. The main reason for the jump was the revised estimate of the gold reserve in this area: before the discovery reserves were felt to be around 130,000 ounces – today they are known to be closer to 17 million fine ounces of pure Canadian gold. Enough to keep the Royal Canadian Mint busy striking Gold Maple coins to meet the needs of investors around the world.

Activity concentrated in Japanese equity warrants

BY PHILIP COGGAN

INTERNATIONAL bond markets were generally firmer yesterday after the rally in the US Treasury markets on Tuesday. Dollar-denominated bonds held on to Tuesday's gains and moved further ahead as investors became encouraged by the dollar's recent strength.

The new issue market was fairly quiet with most of the activity being concentrated in the Japanese equity warrant sector. Nomura launched a five-year $300m issue for Asahi Chemical Industries, the synthetic fibres manufacturer, with an indicated coupon of 4¼ per cent; it was accompanied by a SFr200m private placement of convertible bonds in the Swiss market for the same borrower, led by UBS and carrying an indicated 1 per cent coupon.

Daiwa brought a five-year $40m issue with warrants for Copyer, the photocopying group, and Yamaichi International produced an issue of the same size and maturity for Kato Spring Works, the precision spring manufacturer. In both cases, the indicated coupon was 4¼ per cent.

Meanwhile Nomura edged down the coupon on the Sumitomo Bakelite $150m issue to 4⅛ per cent from the indicated 4¼ per cent; Nikko also reduced the coupon on Mitsubishi Heavy Industries' four-year $400m deal from the indicated 3⅛ per cent to 3¼ per cent, while holding the coupon on the $200m seven-year deal at 5 per cent.

In the Swiss franc market, Union Bank of Switzerland launched a SFr150m issue for Ultramar Capital Corporation, a Canadian subsidiary of the oil

INTERNATIONAL BONDS

group. The eight-year, par-priced issue, guaranteed by the parent, carries a 5⅛ per cent coupon. Unusually, Swiss Bank Corporation declined to take part in the public issue.

There were private placements from Xerox Corporation and the City of Vienna. The former, raising SFr100m, was managed by UBS and has a five-year maturity, a price of 100⅛, and a 4 per cent coupon; the latter was a seven-year issue with three-year currency warrants, raising SFr75m, and managed by Kredietbank (Suisse). It carried a coupon of 3¼ per cent and a par issue price.

There were also issues in the French franc sector – a five-year FFr800m offer from Credit Lyonnais for Caisse Centrale de Co-operation Economique, with an 8⅝ per cent coupon and a 101⅝ issue price and a five year FRN from Sanwa International in the Australian dollar sector. The latter was an A$100m offer on behalf of Sanwa Australia Leasing, guaranteed by Sanwa Bank. The issue priced at 100.10 carries an interest rate at 30 basis points below the Australian three-month bank bill rate.

Bond markets generally saw more activity than recently as investors were encouraged by Tuesday's rally. US markets held on to Tuesday's gains, after economic figures which, without resolving the issue of whether the economy was overheating, did little to discourage investors.

Fears that the Federal Reserve Bank was about to tighten monetary policy appeared to be dissipating but the market is now looking to the next set of US economic figures - on employment - due tomorrow (Friday) for further reassurance.

Prices were stronger, particularly at the longer end, in both the German and the Japanese markets; there was news in Tokyo that the MoF plans to issue a Y200bn two-year note on June 20, with an indicated coupon of 3.8 per cent.

In the Swiss market, there was increased demand for convertibles, on the back of stronger equity markets worldwide; but there was still little enthusiasm for the Nationwide Anglia SFr200m issue, which languished at 98 bid, against the 101 issue price.

Saga to launch shelved convertible

BY KAREN FOSSLI IN OSLO

SAGA PETROLEUM, the Norwegian oil independent, is preparing to launch the convertible Eurobond of between $100m and $150m that it shelved last autumn following the world stock market crash.

Morgan Stanley and Credit Suisse First Boston are expected jointly to manage the offering.

Terms of the bond issue have not yet been totally clarified but Saga's finance director, Mr. Anders Utne, said the conversion premium would be a minimum of 20 per cent above the real market price of the company's shares.

The company announced plans to widen its foreign shareholder base in October last year. It achieved a foreign share placing in difficult market conditions but postponed the convertible issue.

Last Friday the Norwegian Storting (Parliament) approved the development of Saga's Snorre oil and gas field located off the west coast of central Norway. At the same time the government put its 31.4 per cent stake in the field up for sale.

The field, to come on stream in 1992, will cost NKr31bn to develop. It is one of the largest known untapped resources on Norway's continental shelf.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market.

Closing prices on June 1

US DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Abbey National 7½ 92	200	93⅜	93⅝	-1⅛	-1⅛	9.68
All Nippon Air 9⅜ 97	100	†94⅜	94⅞	+0⅛	-0⅜	10.35
American Brands 8⅞ 92	150	97⅜	97¾	+0¼	-0½	9.62
A/S Eksportfinans 7⅞ 93	100	†93⅜	93⅞	+0¼	-0⅛	9.19
A/S Eksportfinans 7⅞ 92	150	94⅜	94⅞	+0¼	-0¼	9.02
Barc. Bk. Fin. 10¼ 89	200	†101⅞	102⅜	+0¼	-0⅛	8.64
Belgium 9¼ 92	400	†99⅜	99⅞	+0¼	-0⅜	9.21
British Telecom 7⅞ 96	250	88⅜	88⅝	+0⅜	+0⅛	9.71
Cal.Nat.Telecom 8½ 93	160	98	98⅜	-0⅛	-0¼	8.99
Canada 9 96	1000	98	98½	+0⅜	0	9.31
Canadian Pac 10⅛ 93	100	†103⅞	104⅜	0	-0¼	9.64
C.C.C.E 7⅜ 91	113	†94⅜	94⅞	+0¼	-0¼	9.00
C.N.C.A 7¼ 91	150	94⅛	94½	+0¼	-0¼	9.19
Coca-Cola Ent. 8¼ 90	100	†99½	100	+0¼	+0½	8.36
Credit Lyonnais 9 91	200	100⅝	100⅞	0	-0½	8.86
Credit National 8¼ 93	200	95⅜	96⅜	+0¼	-0¼	9.26
Credit National 7⅞ 92	100	94¼	94¾	0	-0⅜	9.11
Credit National 7¼ 91	150	94½	95	+0⅜	-0⅛	9.02
Denmark 7⅜ 92	500	93⅜	93¾	+0⅜	-0⅜	9.23
E.E.C 7 91	100	94¼	94⅜	+0⅛	-0¼	8.91
E.E.C. 7⅜ 93	250	92⅝	93¼	+0¼	-0⅜	9.15
E.E.C 8¼ 96	100	*91⅜	91⅞	0	-1	9.77
E.I.B. 7⅜ 93	100	92⅞	93⅜	+0¼	0	9.25
E.I.B. 9⅜ 97	150	†97⅞	98⅜	+0¼	+0⅜	9.68
Elec. De France 9 98	200	94⅞	95⅜	+0¼	-0⅛	9.83
Finland 7⅜ 97	200	88⅜	89⅜	+0⅛	+0⅞	9.85
Finland 7½ 93	200	92⅞	93¼	+0⅜	0	9.22
Finn.Exp.Cd. 8½ 92	200	97¾	98¼	-0⅛	-0¼	9.13
Ford Motor Credit 8 91	250	97⅜	97⅞	+0¼	+0⅜	8.97
Gen Elec Credit 10¼ 00	200	101⅜	102⅜	+0⅛	+0⅜	9.99
G.M.A.C. 8 89	250	99	99½	-0¼	+0½	8.62
G.M.A.C. 8¼ 89	200	99⅞	100	+0¼	+0⅜	8.46
Hoesch 8¼ 97	100	†91⅞	92⅜	+0¼	-0⅜	9.65
Italy 9 90	1000	100⅝	101⅛	+0¼	-0⅜	8.53
L.T.C.B of Japan 8 91	100	97⅜	98	+0⅜	-0⅜	8.86
L.T.C.B. of Japan 8 97	200	87⅞	88⅜	+0¼	-0⅜	10.13
Mercds-Benz Cd. 8½ 95	100	95¼	95¾	+0⅜	0	9.42
Metropolis Tokyo 9½ 93	200	100⅞	101¼	+0¼	-0½	9.20
Morgan Guaranty Tst. 7 90	150	97	97½	+0¼	+0¼	8.70
Norway 8⅜ 93	500	98¼	98¾	+0¼	-0⅜	9.13
Pepsico Inc 7⅜ 93	200	†92⅜	92⅞	+0¼	0	9.30
Portugal 0⅜ 91	300	97⅛	97½	-0⅜	-0⅜	9.39
Prudential Crp 8⅜ 94	125	98⅜	98⅞	+0¼	-0⅜	9.10
Qantas Airways 10⅜ 95	140	102⅝	103⅛	+0⅜	+0⅛	9.78
Saab Scania 9½ 91	125	†103⅜	103⅞	+0¼	-0⅜	8.04
Saskatchewan 10⅜ 92	100	104⅜	104⅞	+0¼	-0½	9.25
State Bk S Aust 9¼ 93	100	†99	99½	+0⅜	-0¼	9.43
Swedish Expt Crd 7⅛ 91	100	†94¼	94⅜	-0¼	-0⅜	9.11
Swed Exp Cred 10 92	100	†103⅜	103⅞	+0¼	-0⅜	8.96
Sweden 7 91	250	94½	95	+0⅜	-0¼	8.85
Sweden 7 92	250	†93⅞	94¼	+0¼	-0⅜	8.96
Sweden 8⅜ 96	200	95⅛	95⅜	+0⅜	0	9.61
Sweden 8½ 92	200	†98	98½	+0¼	-0⅜	9.00
Toyota Mtr. Cred. 9 90	200	†99⅜	100½	+0¼	-0⅜	9.01
Victorian Rep 11⅜ 92	150	107	107½	+0⅜	0	9.32
World Bank 7 92	300	†93⅜	94⅛	0	-0½	8.97
World Bank 9 97	300	95⅛	96¼	+0¼	-0¼	9.66
Yasuda Trust Fin 8½ 93	100	†97	97½	+0¼	-0⅜	9.19

Average price change... On day +0½ on week -0⅜

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. BK. 6 94	200	101⅞	102⅜	-0⅛	-0⅜	5.66
Avis Fin.SVS 5⅞ 92	100	†101¼	101⅞	0	-0¼	5.42
Bank of Tokyo 5⅜ 93	100	†103½	104	+0⅛	0	4.84
Central BK. Turkey 7 92	200	†104½	105	+0¼	+0¼	5.72
Commerzbank o/s. 5⅛ 93	300	†99¼	99¾	+0⅜	0	5.49
Degussa Int. 6¼ 97	200	98¼	99½	+0½	+0¼	6.25
E.I.B 5½ 98	150	95⅜	96¼	+0¼	+0¼	6.05
E.I.B 6 97	300	99¼	99⅞	0	+0⅜	6.07
E.I.B. 6⅜ 96	300	99⅞	100½	+0⅜	+0½	6.10
E.I.B. 6⅛ 97	400	99⅜	100½	+0¼	+0½	6.16
E.I.B. 6⅜ 95	300	103⅞	104¼	+0⅜	+0½	6.14
Euro Coal& Steel 5⅜ 97	175	97⅞	98⅝	0	+0⅜	6.13
Eurofima 6⅛ 96	100	100⅞	101⅜	-0⅛	-0⅛	6.05
Elec De France 5⅜ 97	300	95½	96¼	+0¼	+0⅛	6.36
Forsmark Krtg. 5⅜ 93	200	100¼	100⅜	-0¼	0	5.00
I.A.D.B. 6 97	200	97⅞	98⅝	+0⅜	+0⅜	6.26
IBJ 5⅞ 92	100	†101⅝	102⅜	+0⅛	-0⅜	5.37
Japan Finance 5⅜ 97	100	95⅞	96⅝	0	-0¼	6.32
Ireland 6½ 97	300	†100	100½	+0¼	+0¼	6.46
Korea Dev BK 6⅜ 93	100	102⅜	103⅛	0	-0¼	5.98
Malaysia 6¼ 94	150	100⅝	101⅛	0	-0¼	6.05
Nat. West BK. PLC 6 98	300	97	97¼	-0⅜	-0⅛	6.40
Oesters. Kombk. 5 93	300	100⅜	100⅞	+0¼	+0¼	4.87
Portugal 5⅜ 92	150	101⅞	102⅜	+0¼	+0½	5.26
Portugal 6⅞ 95	150	101¼	102	0	0	6.33
Privatbanken 5¼ 93	150	98⅞	99¼	+0¼	0	5.46
Royal Insurance 5½ 92	300	†102¼	102¾	0	+0⅜	4.77
Statoil 6¼ 97	200	†98⅜	98⅝	+0⅜	-0¼	6.49
Soc Cent Nuclear 7⅜ 95	150	105⅜	106⅜	-0⅜	+0¼	6.22
Westlb. Finance 5 93	200	†99¼	99½	0	0	5.15
World BK. 6⅛ 97	600	100	100⅛	+0¼	+0¼	6.17

Average price change... On day +0⅜ on week +0⅜

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
African Dev.Bk. 5⅜ 96	100	†102½	103	0	-0¼	5.20
Asfinag 5 02	150	†99	99½	0	0	5.07
Bk. Fren Econ. User 5 98	100	†100½	100⅞	+0⅜	+0⅜	4.91
Bayer W/W 2⅞ 02	250	†97⅞	98	+0⅜	+0⅜	2.68
Bayer. Vrnsbk.Os.4⅜ 98	100	†99⅞	100	0	-0⅜	4.76
Elec De France 5 07	100	†98¼	99	-0¼	-0¼	5.09
E.I.B. 4⅜ 97	200	†100½	100⅞	+0⅜	+0½	4.66
E.I.B 4⅜ 97	200	†99	99½	+0⅜	-0½	4.73
Enso Gutzeit 5 99	100	†99	100	-0½	-0⅜	5.06
Ireland 5 02	150	†97¼	97½	+0¼	0	5.27
Nippon Suis.Ksha 4⅝ 93	80	†102¼	102½	+0¼	+0⅜	4.09
Occidentl.Petrol 5⅜ 92	100	†103	103½	-0⅜	-0⅜	4.76
Prov.of Manitoba 4⅞ 02	200	†99¼	100	0	-1	4.76
Prudential Fin. 4⅜ 98	200	†99¼	99½	0	-0½	4.83
Qantas Airways 4⅞ 97	110	†97	97½	-0⅜	-1	5.13
Trans-Can. Pipe 4⅞ 94	100	†101¼	101¾	-0⅜	0	4.56
Usf+g 5½ 96	120	†103	103½	+0¼	+0⅜	4.97
Victoria Pub.Ath 5⅜ 03	118	†102	102½	0	+1	5.15
World Bank 5 02	200	†98	98⅜	+0⅜	-1¼	5.16

Average price change... On day +0 on week -0⅜

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Belgium 5⅜ 92	55	102⅜	102¾	+0⅜	+0⅜	4.74
Belgium 4⅜ 94	45	97¼	97⅜	+0⅜	+0¼	5.12
Canada 4⅜ 92	80	99⅛	99⅞	+0⅜	+0⅜	4.58
Elec. De France 5⅜ 94	20	100¼	100⅜	+0¼	+0⅛	5.02
Ireland 5⅛ 93	30	100¼	100¾	+0¼	+0¼	5.01
Norway 5⅛ 95	50	99½	99⅞	+0⅛	+0⅛	5.17
Rep of Italy 5⅜ 92	150	103¾	104	0	-0½	4.58
Sweden 4⅜ 93	50	98⅞	99¼	+0¼	+0⅜	4.83
World Bank 5⅜ 92	50	103½	103¾	+0⅜	+0⅜	4.54

Average price change... On day +0⅛ on week +0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Abbey Nat.BS 10¼ 93 £	50	101⅜	101½	-0⅜	-1	9.87
Alg. Bk. Ned. 5½ 92 FL	150	100½	101⅜	0	0	5.22
Amro Bank 6¼ 92 FL	150	101⅜	102⅛	0	0	5.76
Balc. Aust. 14 91 A$	20	100⅞	101⅛	-0½	-1½	13.48
Barc. Bk. 10¼ 97 £	250	98¾	99¼	-0¼	-0¼	10.40
BP Capital 9⅜ 93 £	100	100⅜	100½	-0¼	-0⅜	9.64
British Airways 10 98 £	100	96⅜	97⅛	-0⅜	-0⅜	10.51
C.I.B.C Mort.10⅜ 93 C$	100	†100⅞	101⅜	-0¼	-0¼	10.41
Coop.Ctr.Rabo.6⅜ 93 FL	100	102⅜	103	0	0	5.55
Coop.Ctr.Rabo.6 92 FL	200	101½	102¼	-0⅜	0	5.51
Denmark 7⅜ 92 ECU	100	104	104½	+0⅜	+0⅛	6.39
Deutsche Bank 9⅜ 97 £	75	†98¼	99¼	-0¼	-0⅜	10.08
Deut.Bk.Aust.12⅜ 95 A$	70	99⅜	99⅞	-0¼	-2⅜	12.81
Dresdner fin.13⅞ 91 A$	100	†102¼	102¾	-0¼	-1¼	12.81
E.I.B 10⅜ 98 C$	150	†98¼	98¾	-0½	0	10.36
E.I.B 8⅜ 93 LF	10	†102¼	103¼	0	0	7.88
Euratom 7⅜ 97 ECU	145	96⅛	96⅜	+0⅛	+0⅜	7.95
Eurofima 7½ 92 FL	50	106	108	0	0	5.46
Fed.Bus.Dv.Bk.9⅜ 92 C$	75	-	-	-	-	-
Ford Cr.Can.10⅜ 93 C$	100	†102½	103	0	0	9.96
Gillette Can. 9⅝ 93 £	70	97	97¼	-0¼	-0⅜	10.37
G.M.A.C. 9⅜ 93 C$	150	†98½	99	-0⅜	+0¼	10.08
G.M.A.C. 9⅜ 92 C$	75	99	99⅜	+0¼	+0⅜	9.52
G.M.A.C Aus.Fin.14 90 A$	50	99¼	100¼	-0⅜	-1⅜	14.01
Halifax BS 10⅜ 97 £	100	99⅜	99⅜	-0⅜	-0½	10.47
Heineken NV. 6½ 91 FL	150	†103¼	104	0	-0¼	5.00
Imp Chem Inds 10 03 £	100	96¼	96½	-0⅜	-2⅞	10.50
Inv.Industry Int.10 93 £	60	100⅜	101⅜	+0¼	-0¼	9.72
Lloyds Bank 10¼ 98 £	150	97	97½	-0¼	-1	10.70
Mtge.Bk.Den. 6⅜ 91 FL	100	102¼	103½	0	0	5.48
Nat.Australia 14 92 A$	50	100½	101⅜	-0½	-2⅜	-0.04
Nat. West. Bk.13⅜ 92 A$	50	†102½	103	-0⅜	-1½	12.23
Nationwide 83 10⅜ 93 £	75	100⅜	100⅜	-0⅜	-0⅞	10.01
Ned.Midd Bank 6 92 FL	150	101⅜	101¾	0	0	5.55
New Zealand 9½ 93 £	100	98½	99	-0¼	-0⅜	9.82
New Zealand 7⅜ 93 ECU	200	100¼	101¼	-0¼	+0¼	7.51
Oesters.Ktbk 13⅜ 94 A$	75	101¼	101⅜	-0⅜	-1⅜	13.22
Prudential Fin.9⅜ 07 £	150	89⅜	90	-0⅜	-0⅜	10.67
Royal Bk.Scot.10⅜ 98 £	125	99¼	99⅜	-0⅜	-0⅜	10.75
S.O.R. 7⅜ 95 ECU	90	99	99½	0	+0¼	7.89
Wstd.Lb.Fin. 12½ 93 A$	50	†100⅜	101¼	+0⅜	-0⅜	12.20
World Bank 5⅜ 92 FL	100	101½	102¼	0	+0¼	5.19
World Bank 13⅜ 92 A$	100	†101¼	101¾	-0⅜	-2½	12.85

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn
Alberta 3 93	†.0312	100.15	100.25	13/06	8.17
Alliance & Leic Bld 94 £	.08	99.37	99.42	21/07	8.33
Belgium 91	0	100.30	100.40	22/08	7
Britannia 5 93 £	0⅛	99.80	99.85	8/07	8⅜
Chase Manhattan Corp 91	0⅛	99.28	99.45	22/08	6.94
Citicorp 98	†0¼	96.78	97.03	31/05	7.14
EEC 3 92 DM	+0	100.59	100.69	22/08	3.56
Halifax BS 94 £	.1	99.71	99.78	9/08	8.47
Invt. In Industry 94 £	0	99.58	99.69	24/08	7.81
Leeds Perm. B/S. 94 £	0⅛	99.92	99.97	13/07	8.37
Midland Bank 01 £	.1	94.31	95.31	11/08	8.54
Milk Mkt Brd. 5 93 £	0⅛	99.78	99.84	30/06	8.61
New Zealand 5 97 £	.07	99.87	99.97	18/08	7.81
New Zealand 5 01	0	99.38	99.48	4/08	6.98
United Kingdom 5 92	+0	100.03	100.13	7/07	6.94
Woodside Fin. 5⅛ 97	+0	99.42	99.52	28/07	7.31
Woolwich 5 95 £	0⅛	99.47	99.52	19/08	7.87

Average price change... On day 0.00 on week -0.04

CONVERTIBLE BONDS	Cnv. date	Cnv price	Bid	Offer	Chg. day	Prem
Alcoa 6¼ 02	8/87	62	96½	97¼	+0⅛	30.57
Alco Health 6¼ 01	†7/86	26.25	90⅞	91¾	0	12.10
American Brands 7⅜ 02	9/87	56.7	99	99½	-0⅞	22.34
American Can Co. 5½ 02	4/87	66.75	62¼	63	+0⅜	68.90
Ashikaga Bank 2⅞ 02	4/87	967.	134¼	136	+1⅜	1.55
Asics 5 92 DM	12/83	472.7	202¼	203¾	-2	3.79
CBS. Inc. 5 02	4/87	200.	89⅛	90	+0⅛	15.83
Fuji Hvy Inds 3 00	8/85	676.	191	192½	+3⅜	1.55
Fujitsu 3 99	5/84	1106.	245½	246½	-5	0.15
Gunma Bank 2¼ 02	4/87	808.	169½	171	-0½	7.91
Kinki-Sogo Bk.2⅞ 03 US	4/88	1069.	113	114¼	-2⅜	6.56
Land Secs. 6¼ 02 £	6/87	6.72	100⅞	101⅜	-0¼	16.11
MCA INC 5½ 02 US	9/87	69.62	78⅜	79⅜	+0⅛	35.60
Minolta Camera 2¼ 94 DM	2/86	1004.	100⅜	102¼	0	26.66
Mitsubishi Bk.1⅜ 02 US	†9/87	3157.	115	116	+5⅜	7.24
Mitsui trust 2⅜ 01	†10/86	1903.	138	140	-0¼	1.89
Next PLC 5⅜ 03 £	†11/87	4.3	104½	105⅜	+0⅜	71.23
Nishi Nipp.Bk.2⅞ 03 US	†4/88	804.	117	118	+3¼	11.81
Omron Tateisi 2⅜ 02	†4/87	1310.	221	223	-4¼	0.94
Ranks Hovis 4⅜ 03 £	1/88	3.5	117¼	118¼	-0¼	15.77
Redland 7¼ 02 £	†1/87	5.4	91½	92½	-0½	23.58
Texas Inst. 2¼ 02 US	9/87	82.87	76⅞	77⅜	+0⅜	42.65
W.R. Grace 6¼ 02 US	†9/87	42.12	80¼	81¼	-0⅜	36.91

* No information available-previous day's price

† Only one market maker supplied a price

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte = Date next coupon becomes effective. Spread = Margin above six-month offered rate (‡three-month; §above mean rate) for US dollars. C.cpn = The current coupon.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv date = First date of conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Muted run-up to AIBD meeting

By Dominique Jackson in Dallas

THERE IS something strangely comforting about arriving in Dallas. Just one glimpse of that familiar, futuristic skyline gives the impression that one is returning to somewhere well known and welcoming. Yet, for the 1,200 delegates gathered for the 20th annual meeting of the Association of International Bond Dealers, this apparent familiarity seems merely to have reinforced the feelings of anti-climax and deja vue with which most of them are approaching this year's conference.

The conference itself, which opens later today, seems set to be dominated by a post-Crash post-mortem – an examination which many delegates here believe has already been superseded by countless other studies. The agenda of the main meeting is taken up largely with routine business and it is still far from clear whether the burning issue currently splitting the market in two – the row between the AIBD and the two Eurobond clearing houses over their respective new computerised trade matching systems – will be dealt with in any formal way whatsoever.

One Swiss delegate suggested that the venue itself could be in some way responsible for the uncharacteristically muted run-up to this year's meeting. The Loews Anatole Hotel looks and feels like a film set from a lavish Bertolucci epic, at the same time bearing a more than passing resemblence to a main line railway terminus. The Bank of England would fit snugly into one of its twin-central atriums and the hotel is insulated from the sprawl of downtown Dallas by a private seven-acre park with its own $12m sports centre. It is hardly surprising, commented one Dutch delegate, that 1,200 bond dealers have disappeared into the bowels of the edifice, virtually without trace.

Although no time has yet been set aside for a discussion of the dispute between the association and the clearing houses, Euro-clear and Cedel, the fight seems bound to continue on the fringes of the meeting.

Senior figures in the AIBD have been irked by the clearers' refusal to countenance any link between their existing trade matching and confirmation system, known as ACE, and the AIBD's Trax project, which is due to be tested later this year.

In the latest twist to the saga, Mr Rolf Breuer, chairman of Euro-clear and a member of the Deutschebank board, recently wrote to several market participants, reiterating that the development of both systems would duplicate costs at a time when member houses can ill-afford them. In his letter, he indicated that the 50 or so West German bank lenders of the AIBD were opposed to the Trax project.

According to Mr Richard Bristow, chairman of the AIBD's market practices committee, the scope of Trax is considerably wider than that of the clearing system's proposed new confirmation procedures. Trax is intended to cover domestic as well as international paper, and non-AIBD members should also be able to use the system. Trax also has the backing of the UK Securities and Investment Board and the decision to implement the system was instrumental in securing the international bond market's designation as an overseas investment exchange, thus exempting it from onerous parts of the UK's new securities laws.

Mr Arthur Schmisgelow, AIBD chairman, said the project had found solid support among major houses, which were helping with the pilot testing phase this autumn.

The AIBD board has accepted proposals from the Trax project committee to make Trax compulsory for all reporting dealers and inter-dealer brokers from January 2 1989. However, the clearing houses remained determined to continue lobbying against plans. To that end, Euro-clear hosted the first lavish party of the meeting last night, a reception in the hotel's Grand Ballroom, reputedly the biggest dance floor in Texas.

VW to launch sports car

By Our Financial Staff

VOLKSWAGEN, the West German motor group, is to launch a new sports car this autumn. VW said the Corrado would be in a class above the company's Scirocco. The company said it was a totally new car which was more powerful and expensive than the Scirocco.

VW stressed that it would continue to produce the Scirocco. Price indications for the new car were not yet available.

Richard Gourlay on a move towards mutual funds in Asian markets

ADB adopts a wholesale approach

THE Asian Development Bank, the cash-rich regional aid conduit which makes most of its loans to Governments, is taking modest but important steps towards stimulating the capital markets and the private sectors of its member countries.

Last week, the ADB announced its first international mutual fund for a member country, the $50m "Thailand Growth Fund", for investment primarily in listed securities but also in new and unlisted limited companies.

It follows the launch last December of a $100m "Asian Development Equity Fund", also underwritten by the ADB, for similar investments.

The ADB has a number of goals in mind. First, it is trying to wean the region's private sector away from debt-financed growth which, in some countries, has led to dangerously high corporate gearing.

Secondly, it wants to increase its private sector investments not guaranteed by Governments, partly in response to criticism that it channels too much finance through unresponsive and inefficient state institutions and not enough directly to more dynamic businesses.

Thirdly, the mutual funds are providing additional vehicles for countries, like Japan and Taiwan, to recyle their trade surpluses. For Japan, which has committed to recycle $30bn in response to international criticism that it is not pulling its weight in the Third World, the ADB funds have the added advantage of carrying a "development" tag.

In practice, the ADB is lending little more than its Triple A credit rating to both funds, having taken only a nominal participation of $5m in the Thailand fund, for example. Seventy per cent of the first fund was placed by Nomura Securities in the Japanese market and the ADB expects a similar proportion of the 25-year Thailand fund to be placed by Nikko Securites in Tokyo.

Retail approach

However, the ADB hopes for more than just its name on a tombstone. In five years of the programme, the ADB has approved only $41m of equity investment to private-sector companies without government guarantees.

This "retail" approach, where the bank studies each potential investment, has severe limitations, according to Mr Akira Tsusaka, the ADB director in charge of capital market development. The use of mutual funds signals the adoption of a "wholesale" approach, he says.

The bank will also encourage the growth of the securities industry and brokerage houses, fund studies on how to reduce institutional blocks to trading, and try to breathe some life into non-existent bond markets.

Depending on the outcome of a study into the direction the ADB should be taking in the 1990s, which is due out in early 1989, the banks may separate its private sector lending operations, like the World Bank has done with the International Finance Corporation.

As a launching pad for the first country-specific mutual fund, Thailand was a safe choice. It is already a favoured destination in Asia for Japanese investors and a number of recently launched Thailand funds trade internationally at a large premium to the market.

Elsewhere, Jardine Fleming is studying a similar fund for the Philippines and ADB officials are floating the idea of raising money from the Pakistani business community in Britain for a "Pakistan Growth Fund".

Getting these funds off the ground will not be so easy. As so often in developing countries, especially those with an active Chinese community, companies are often tightly controlled by families so there is a limited supply of good, available investments.

Other problems include tax policy (for example in Indonesia, dividends are taxed while interest on deposits is not); stock exchange listing requirements which are sometimes stricter than in developed countries; and nationalist pressures that restrict foreign holdings of companies.

Developmental role

The ADB faces a problem of its own, if it is to develop markets and not simply chase up the price of the already limited stock of blue chip companies. "We seek a developmental role," explains Mr Tsusaka. "Sometimes it will mean less profitable ventures, but there has to be a balance between development and profit, otherwise there is no role for the ADB."

As with most ADB initiatives, caution is the order of the day. "The developmental role will be played within limits, not to the extent of scaring the investors," according to Mr Tsusaka.

As for the ADB's credit rating, officials and bankers say direct private-sector investment could leap ten-fold to near 10 per cent of outstanding loans before the credit rating agencies even begin to look concerned.

Chase converts Brazilian debt

BY JOHN BARHAM IN SAO PAULO

CHASE MANHATTAN Bank has concluded one of the largest-ever debt-to-equity conversions in Brazil.

The bank will invest $200m in Autolatina, the holding company which operates the Brazilian and Argentine subsidiaries of Ford and Volkswagen. Autolatina said the conversion is to help finance a $1bn investment plan over the next five years.

Chase did not have to surrender any discount on the deal. It converted its loan at par under regulations that preceded debt auctions which began this March. This saved Chase a considerable amount of money. Brazilian debt trades at a 55 per cent discount on the international secondary market.

The Chase investment is a badly-needed shot in the arm for Autolatina. Both Ford and Volkswagen have suffered heavy losses in recent years. In 1987, Ford lost $28m and Volkswagen suffered a $189m deficit.

The bank blames government policy for the losses. However industry analysts say both companies suffered from sloppy management.

Nearly all the $1bn investment will be used to streamline and increase automation at Autolatina's Sao Paulo production line in a bid to increase competitiveness and profitability. This year, Autolatina says it will invest $250m to modernise its facilities and begin retooling to launch new models.

The company would not reveal which new models it plans to launch. However, officials said that the Orion version of the Ford Escort would probably be launched in Brazil in 1990.

Chase will not have a formal decision-making role in the company because its investment was made in a financial services subsidiary of Autolatina.

By law, Chase must maintain its investments in Autolatina for at least 12 years, although it can remit dividends, subject to withholding tax. It is unlikely however that Chase will earn substantial dividends on its investments for some time.

Autolatina said its losses were due to government price ceilings which condemned car companies to losses on domestic sales. It is also losing money on exports, which account for one third of sales.

Companies complain that production costs have increased faster than inflation and the rate at which the currency has depreciated.

Fiat, the largest exporter of Brazil's three volume car manufacturers, has announced that it is seeking government permission to receive Brazilian debt in payment for its cars.

Swiss insider trading law starts July 1

By William Dullforce in Geneva

SWITZERLAND'S law against insider trading will become effective on July 1, the Federal Council (Government) has decided.

Fashioned largely in response to years of friction with the US and dubbed a Lex Americana by its critics, the amendment to the criminal code was passed by the Federal parliament in December.

Domestic opposition, spearheaded by the Swiss Investors Protection Association, failed to mobilise enough cantonal authorities to force the Government to put the amendment to a popular vote in a referendum.

It makes insider trading – in which executives or dealers profit from information not available to the public – a criminal offence punishable by a prison sentence of up to three years

Carlton advances 59% to £21.2m

BY CLAY HARRIS

A CONTRIBUTION of £3.1m from Carlton Communications' 20 per cent stake in Central Independent Television belped Britain's largest iodependent television services company to increase interim pre-tax profits by 59 per cent from £13.3m to £21.2m.

Carlton's own trading profit nearly matched the overall advance, with a 58 per cent rise to £16.4m (£10.4m) in the six months to March 31. On earnings per share 35 per ceot higher at 18.31p (13.6p), the interim dividend is raised by 40 per cent to 2.45p (1.75p).

Mr Michael Green, cbairman and chief executive, said Carlton bad substantially increased its activity in independent programming since the beginning of the year, as UK television companies became more accustomed to contracting out programming.

The company had maintained its position as market leader in the provision of state-of-the-art video post-production facilities and was the only company in Loodon capable of offering wholly digital editing facilities.

Carlton was in a strong position to benefit from the loosening of the historically tight regulations governing broadcasting in the UK and Europe, Mr Green said. He also welcomed the Independent Broadcasting Authority's support for a fifth terrestrial channel in the UK.

On the hardware side, Carlton reported strong demand, especially from US networks, for its Abekas range of digital editing and special effects products.

From £40.3m in the comparable half, turnover rose to £108.4m including a proportionate share of Central's turnover, or £85.1m excluding it. Carlton estimated a tax rate of 37 per cent for the current year, against 35 per cent in 1986-87.

The Central stake was responsible for nearly two-thirds of a £2.9m extraordinary cbarga, reflecting the Midlands ITV franchise-holder's write-down of its investment in Superchannel, the satellite broadcast venture.

Carlton itself made a £1m provision for the closure of Skyscan, a satellite-dish subsidiary.

See Lex

Michael Green – increase in independent programming

Crowther holders stay by Coloroll

By Alice Rawsthorn

FEWER THAN 0.5 per cent of John Crowther Groop sbareholders have withdrawn their acceptances for Coloroll's £218m bid in favour of tbe competing offer from Thomas Robinson.

Crowther shareholders bave been able to witbdraw their acceptances since 3pm on Friday. So far acceptances representing only 545,515, or 0.46 per cent of Crowther's equity, have been withdrawn.

The bulk of these withdrawals were made oo Tuesday. Acceptances for just 121,815 Crowther shares were withdrawn yesterday.

This means that Coloroll, which is advised by S.G. Warburg, still claims control of nearly 46 per cent of Crowther's equity. By the time the bome furnishing group's offer reached its third closing date Coloroll had received acceptances for almost 31 per cent of Crowther. It already owns 14.9 per cent.

Crowther's shares fell 2p to 152p yesterday, while Coloroll's were unchanged at 183p. Robinson, which is mounting a £226m counterbid, saw its shares rise 8p to 395p. The Coloroll bid reaches its fourth closing date on Friday.

The Takeover Panel is today expected to complete its investigation into Coloroll's proposed compensation payments to members of the Crowther board.

Plysu moves up 20% to £6.51m

BY ANDREW HILL

Plysu, manufacturer of plastic containers and houseware, increased taxable profits by 20 per cent to £6.51m in the year to March 31, against £5.41m in 1986-87.

Turnover rose 25 per cent to £46.8m (£37.5m) and earnings per share grew from 8.1p to 9.9p.

Plysu spent some £12.9m expanding production capacity during the year, £5.58m of which was funded from borrowings and tbe rest from casb flow. This compares with £7m of capital expenditure in the previous year. Mr James Summerlin, chairman, said Plysu would continue to invest this year, though not as beavily as in 1987-88.

Raw material prices rose between 40 and 50 per cent during the year and high density polyethylene was in short supply. However, demand for most containers – especially lightweight milk and juice hottles – remained strong, said the company.

After a slow start, the new Littleborough factory had begun to contribute well during the last months of the financial year, Mr Summerlin said. Margins improved at Plysu's Dutch container manufacturer following the introduction of a new product mix.

Interest payable was £247,000, against £172,000 of interest received in the previous year.

Housewares turnover – which represents about 17 per cent of group sales – rose 30 per cent in the second half of the year,

The Newport Pagnell factory is almost complete and is already producing Plysu's Multiguard containers for agri-chemical use. The group is also rebuilding a large part of its factory in Holland to improve efficiency there.

An increased final dividend of 1.65p is recommended, making 2.3p (1.83p) for the year.

● comment

Difficult as it is to keep track of Plysu's growing fleet of factories, it seems as though capital expenditure of nearly £20m over the past two years is beginning to pay off. The rapid expansion programme may be slowing down but Mr Summerlin is convinced he can squeeze even better performances from the existing manufacturing units. The Multiguard range of barrier containers, in which traditional polyethylene is protected by a nylon coating so that corrosive cbemicals, like pesticides, can be packaged, is still to be fully exploited. Housewares is also expanding, with a new factory planned for a six-acre site near Bedford; this in turn should create space for increased container production at the central Bnckinghamshire plant. If Plysu avoids the worst effects of the rising price of raw materials – the only shadow over continuing growth – then the company could make £8m in 1987-88. The shares rose 3p to 158p yesterday and look attractive on a prospective p/e of about 13.

Hickson purchase will double US sales

BY CLAY HARRIS

Hickson International, chemicals and building protection group, is to pay $24m (£13.11m) in casb for an 81 per cent interest in Kerley, an Arizonan manufacturer of sulpbur-based agricultural and mining chemicals.

The acquisition will more than double Hickson's US sales, which accounted for less than 10 per cent of the group total last year. It also takes Hickson's inorganic cbemicals division into new applications for sulphur products.

In 1987, Kerley reported pre-tax and pre-interest profits of $7.35m on sales of $42.2m. Although the group's profits record had been erratic in recent years, Hickson believes the 1987 result is a reasonable guide to underlying performance.

Kerley spent several years with Sundance Oil before the present owner bought it out again.

The purchase is expected to double Hickson's gearing to about 36 per cent.

LIT named as the suitor for JGIT

By Nikki Tait

LIT Holdings, the former London Investment Trust which is now a London-based futures and options brokerage, yesterday emerged as the suitor for Jersey General Investment Trust.

LIT is offering cash equivalent to formula asset valne for each JGIT ordinary share, and 100p in cash for each preference share. The trnst announced last week that it had received an approach.

The formula asset value will not be determined until the offer, which is recommended by tbe trust's board, goes unconditional.

However, on the basis of an unaudited net asset value calculation of 489p at end-April, LIT estimates thet fav would be around 520p – effectively some 106 per cent of nav. The combined preference and ordinary offers valne JGIT at around £60m. The offer is being financed from LIT's existing cash resources and through bank borrowings.

Jersey General, founded in 1931, is unusual in that it is registered in the Channel Islands and still has a high proportion of Jersey residents as private shareholders. Institutional involvement is relatively small.

Yesterday, LIT said that it expected JGIT to continne operating as an investment company if the bid succeeds. The present equity portfolio will convert partially to a porfolio of short and medium-term financial instruments, including gilts, and the intention is also to make acquisitions in the financial services sector.

LIT, itself, has seen a new management team moved in recently, including chief executive Mr Michael Middlemas and non-executive chairman Mr John Botts, the former Citicorp executive. Last month, it acquired Goldberg, a Chicago-based brokerage firm.

Yesterday, Mr Middlemas suggested that the question of whether the listing is kept, assuming the bid is successful, might depend on the level of acceptances. There is no mechanism for mopping up minorities in Jersey.

He also suggested that if a large minority remained, LIT might consider the provision of a separate on-going Jersey-based investment trust vehicle, possibly by some sort of demerger scheme. However, be stressed that this was only an idea, not a firm plan.

Jersey General shares rose 37p yesterday, to 505p.

Radius makes software bid

Radius, USM-quoted computer systems and maintenance group, is making a recommended £4.33m offer for MGB, a private software house.

In the 15 months to December 31 1987, MGB made pre-tax profits of £632,000 on turnover of £8.83m. The consideration will be satisfied by shares, valued at a fixed price of 118p, with a cash alternative at the same level.

Drayton Japan Trust

Drayton Japan Trust had a net asset value of £10.3822 on May 27 1988 before deduction of the estimated expenses of the proposed re-organisation. At that date, about 54.6 per cent of the company's assets were in liquid investments of which 27.5 per cent were in sterling and 27 per cent in yen.

Peek acceptances

Peek, which stores and handles grain and animal foods, has received acceptances for its offer for the entire issued ordinary share capital of Dubilier International in respect of 24.96m (53.88 per cent) Dubilier ordinary.

MEPC rises to £48.7m aided by Oldham Estate contribution

BY ANDREW HILL

THE £428m acquisition of Oldham Estate last year halped increase MEPC's interim profits by 50 per cent. The property investment gronp made £48.7m before tax in the six months to March 31, compared with £32.5m in the equivalent period.

Net income from properties grew to £71m (£48.8m) as MEPC benefited from rent reviews, lease renewals and rental income on recently completed developments. Financing costs also rose 49 per cent to £32.6m (£21.9m).

Shopping centres completed last year in Leamington Spa and Sbeffield, and London office buildings in Liverpool Street and Farringdon Road were among the major contributors.

The company said overseas subsidiaries also sbowed good rental growth, especially in Europe and Australia, which together account for about 18 per cent of gross rental income.

A substantial proportion of vacant space in the Oldham portfolio had now been leased, promising further increases in rental income.

The policy of improving tba quality of the portfolio would continue, MEPC said, and substantial refurbishment expenditure was already committed. The hudget proposal to rebase capital gains tax on 1982 rather than 1965 values would allow the company to dispose of older properties if this was considered worthwhile.

Four UK developments had begun so far this year, and six more were planned to start before the year-end, at a total cost of about £150m.

Earnings per share increased from 9.1p to 10.2p in the first half. An interim dividend of 3.5p (3.25p) has been declared.

● comment

The City expressed only muted interest in MEPC's interim figures, preferring to look forward to the end of the year and the prospect of pre-tax profits topping £100m. The addition of Oldham has reduced overseas exposure and added some longer term redevelopment projects to a portfolio already strong in the office and retail sectors. MEPC does not publish a net asset value at the half-way stage, hut analysts estimate it at abont 613p per share; yesterday tha shares fell from 567p to 561p, an 8.5 per cent discount to nav, almost exactly in line with other property investment groups. A nav of about 670p per share is forecast for the full year. Pessimists prophesying an end to the property boom might be losing sleep over the company's commitment to City office developments – principally the 360,000 sq ft Alban Gate building on London Wall, due for completion in mid-1990 – but otherwise the shares look a solid, if uninteresting bet on a prospective p/e of about 26.

P and S nearly doubles profit

BY VANESSA HOULDER

Portsmonth and Sunderland Newspapers, printing, publishing and retailing gronp, increased pre-tax profits from £2.3m to £4.4m, on turnover np from £49.9m to £63.3m in the 53 weeks to April 2 1988. Adjusted to a 52-week basis, profits increased by 81 per cent and turnover by 24 per cent.

Mr Charles Brims, chief executive, said it had been a very successful year and the outlook for the present year was good.

Higher newsprint prices brought £1m in additional costs, but had been offset by reduced overheads and improved advertising revenues. Advertising, which contributed 42 per cent of overall revenue, grew by 21 per cent after adjustments for inflation, compared with an average of 16 per cent for the industry.

Newspaper sales were firm due to increased resources for editorial content and style. The Croydon Advertiser Group, acquired in 1983, moved into significant profit following four years of rationalisation. There had also been a substantial growth in contract printing revenue.

The retailing subsidiary, Portsmouth News Shops, showed significant profit growth. Its One Stop convenience stores, now contribute about 10 per cent of gronp pre-tax profits. It is planned to double the rate of openings to ten a year.

An extraordinary charge of £369,000 was due to the withdrawal from the Weekly Courier and Leisure Newspapers and a reduction in the group's share of Croydon Cable TV, offset by the release of provisions relating to last year's business reorganisation.

Earnings per share increased by 70 per cent on a restated basis to 21.4p. A final dividend of 4.07p (3.3p) is recommended, increasing the total for the year by 20 per cent to 5.28p (4.4p).

● comment

After the spectacular advances of the past two years – 52 per cent and 81 per cent respectively – prospects for this year may seem a hit tame. Growth in advertising revenues is unlikely to keep up its breakneck pace and the company has no more turnarounds, such as that of the Croydon Advertiser, np its sleeve. Moreover, there is uncertainty over its contract printing – The Guardian and Observer are transferring to the London Docklands – although notice agreements will largely protect profits in tha coming year. Looking ahead though, Portsmouth may generate some fresh excitement. For ona thing, it plans to bny a neighbouring regional newspaper operation. For another, it is stepping up the expansion of its convenience stores, which it hopes conld contribute 35 per cent of profits in five years' time. Assuming that the company makes profits of £5.25m this year, the shares, up 4p to 265p, are on a prospective multiple of 10.

Telfos reveals 24.58% Runciman stake

BY CLAY HARRIS

SHARES IN Walter Runciman, the shipping, securities and insurance group, rose 20p to 318p yesterday after Telfos Holdings, manufacturer of non-ferrous rods and diesel locomotives, unveiled a 24.58 per cent stake.

A meeting on Tuesday night between Mr Gary Runciman, Runciman chairman, and Mr Jon Malins, Telfos chief executive, was described by hoth sides as "inconclusive".

Officially, Telfos has described the stake – raised in two jumps from 4.9 per cent since early last week – as an investment. It is believed, however, that Telfos may be considering putting forward propositions for "co-operation".

In 1987, Runciman reported pre-tax profits of £2.94m on turnover of £37.7m, compared with Telfos' profits of £1.72m on sales of £10.8m. The two companies are close in size, with market capitalisations of £28.8m and £27.9m

● Gamelstaden, the Swedish bank, said it had bought a 12.76 per cent stake in House Property Company of London, development and investment group. The stake is registered with Gamelstaden Nominees, and HPCL said it was considering inquiring about beneficial ownership under Section 212 of the Companies Act.

Mr Robert Baldock, the Australian investor who has been chairman of HPCL since January, controls a similar sized holding through a company called Swiftspedition.

● Hey & Croft, USM-quoted househuilder, said North East Essex Building Company, a private househuilder, had huilt up a 7.49 per cent stake.

● Hartwell, Oxford-basad motor distribntor and property developer, said Cresscombe had raised its holding from 6.17 per cent to 10.75 per cent.

UK COMPANY NEWS

Giltvote emerges victor in the battle for EPIC

BY NIKKI TAIT

THE LONG-running bid battle over Estates Property Investment Company has ended in victory for Giltvote, tha newly-formed consortium headed by Mr Stephan Wingate.

Giltvote announced yesterday that it now controlled 56.5 per cent of EPIC's shares – with acceptances accounting for 30.8 per cent, and purchases for 25.7 per cent. Yesterday was "day 60" of the £67.3m recommended bid, beyond which it could not be extended.

Rival bidder, Peachey Property, finished with control of 33.3 per cent of EPIC – effectively, its own stake in the company. Its lower £63.4m offer has, therefore, lapsed. Peachey launched its first offer for EPIC back in January.

However, the battle may not be antirely over. Yesterday, Peachey's advisars, S.G. Warburg, said that the company stood by consistent statements during the bid battle that it was prepared to remain a minority shareholder if necessary.

They added that there bad been no formal discussions either at company or adviser level with Giltvote, and nope were curreotly planned. Bnt they conceded that – from Peachey's point of view – some division of the EPIC portfolio might be a possible solution to the situation.

The Giltvote camp, however, said it felt no immediate pressure from the Peachey ahareholding, and that it was quite happy to run the portfolio, regardless of Peachey's decision.

Giltvote'a advisers, County NatWest, declined to comment on the suggestion of a possible division of the portfolio.

US Senator questions BAT's suitability to take Farmers

BY LOUISE KEHOE IN SAN FRANCISCO

IN A significant escalation of political opposition to BAT's $4.5 bn (£2.46bn) bid to acquire Farmers Group, the US insurance company, US Senator, Mr Alan Cranston, has called upon the *California Department of Insurance Commissioner* to give "careful consideration" to social issues during public hearings to determine whether BAT is a "suitable" owner of the Los Angeles-based insurance firm.

BAT's links with *South Africa* and its role as one of the largest tobacco producers have already been the target of attack by Californian state legislators. Senator *Cranston's support* for the growing anti-takeover campaign is however seen as a significant *blow for BAT.*

"I share the strong concerns which have been expressed by a number of other elected officials that approval of the takeover of this American company by a foreign conglomerate with extensive and expanding activities in South Africa, and a publicly-announced intention to halt the dissemination of material regarding the health hazards of smoking, would not be in the best interests of the *citizens of California*", Senator Cranston said in a letter to the insurance commissioner.

The outcome of the California Insurance Commission hearings could be crucial in determining the ontcome of the BAT bid because California is by far the largest market served by Farmers. Without the approval of the state's insurance commission, BAT would not be able to sell insurance in California.

Process losses increase

BY CLARE PEARSON

Process Systems, the US electronic aystems manufacturer which has a London listing, may be taken over by Scana Corporation, the US diversified holding company. Scana's principal subsidiary is an electrical utility.

Scana said yesterday it was exploring the possibility of an agreed bid.

A *decision is to be taken by* June 17.

At the same time as Process Systema announced pre-tax losses for 1987 almost doubled from $5.91m to $11.08m (£6.03m).

The increase in losses arose from a $2.09m provision for inventory obsolescence, and a $3.52m write-down of capitalised software.

This arose from the 1986 acquisition of MDA, the data processing equipment company.

However, the company's total revenues increased from $12.3m to $14.9m during the year.

This, combined with an increase in gross margins, reaulted in operating losses *$500,000 lower at $5.42m.*

Scana has 2¼ weeks to carry out due diligence investigations, before deciding whether to bid at a price which will be not greater than 25 cents per share.

This would value Process at $14m.

Directors of Process Systems who own 41 per cent of the shares have pledged to vote in favour.

Scana said the merger would make industrial sense since one of Process Systems' main businesses is the supply of instrumentation to electrical utilities.

Process Systems, which is not paying a dividend for the last financial year, said its programme of cost reductions was taking longer to implement than it had anticipated.

It expected overheads would now be reduced at a rate of $1.8m per annum.

The company is advised in London by J. Henry Schroder Wagg.

Tarmac sells SA interests for £7m

By Clay Harris

Tarmac, construction and property development group, has sold all its South African interests for £7m. The buyer is Sonth African, bnt Tarmac refused last night to identify it other than to describe it as a "company *of* high standing."

Sir Eric Pountain, chairman, said the disposal, which followed an approach made to Tarmac, would safeguard, "as far as possible, the livelihoods of our employees". Until the approach, Tarmac had intended to maintain the business as a going concern, he said.

The sale price, which was the figure asked by Tarmac, exceeds the book value of the assets involved in the subsidiary, a quarry products company. Tarmac has never given details of the offshoot's sales and profits.

The disposal should guarantee a quieter time for Tarmac *at next week's annual meeting.* Although Tarmac has faced shareholders' questions about its *South African activities* at previous meetings, it has not seen anti-apartheid protests on the scale encountered by the conglomerate BTR last month.

Tarmac said the announcement *of* the disposal was not connected to the imminence of the agm.

Telephone Rentals in I£2.6m purchase

By Clare Pearson

Telephone Rentals, telecommunications equipment group, is bnying Sound Systems for I£2.6m (£2.19m) to strengthen its position in the Irish Republic.

The company is offering seven shares for every five in Sound Systems, valuing each Sound Systems share at £3.62. There is a cash alternative of £3.47 per share. Irrevocable undertakiogs have been obtained from bolders of 71.5 per cent (464,900) of tbe shares.

Sound Systems made pre-tax profits of £359,000 in the year to the end of January.

Atlantic Assets investors offered revised package

BY NIKKI TAIT

A REVISED reconstruction scheme at Atlantic Assets, the £140m investment trust managed by Edinburgh-based Ivory & Sime, is offering investors a share swop into either another I&S-managed trust, the Independeot Investment Company, or into I&S's offshore Atlas Fund.

Atlantic was one of three Ivory & Sime *trusts featured in a complex* recoostruction package announced in January.

The initial proposals were approved, and went ahead, at Edinburgh American, but they were rejected, for differing reasons, at the other two trusts.

In the case of Atlantic, only 42.3 per cent of the shares voted were in favour of the original scheme.

Uoder the new reconstruction plan, Atlantic shareholders have two options, *compared* with the three previously.

The first is to take Independent shares with an underlying net asset value equivalent to 100 per *cent of net asset value of their* ordinary shares in Atlantic.

The second offers shares in either the global capital equity or the sterling liquidity aub-funds of the Atlas Fund equivalent to 95 per ceot of the underlying net asset valne of their shares in Atlantic.

Because Atlas is an open-ended investment company, shares in the various sub-funds trade at or close to net asset value. This route, therefore, suits shareholders who simply wish *to cash* in their bolding.

Preference ahare and debenture holders in Atlantic will be repaid in cash at par, plus divideods and interest up to the winding-np date. Warrant holders receive a cash sum of about 9.5p per warrant.

A stumbling block in any reconstructioo of Atlantic has been the trust'a existing cross-holding in Independent, now a specialist venture capital trust.

The Atlantic stake amounts to 60 per cent of Independent's equity, plus 60 per cent of its warrants and, on an nav for Independent of 56.6p, is worth £38.3m.

Uoder the latest proposals, Independent will purchase these shares from Atlantic and then cancel them. It will also acquire Atlantic's venture capital investments, currently valued at just under £23m.

These assets will be acquired at net asset value, less a discount equivalent to 5 per cent of the value of the elections made by Atlantic holders of the Atlas alternative.

In short, shareholders taking *the* Atlas route and only receiving *95 per cent of the underlying* nav of their shares, are effectively making a small subsidy to shareholders staying with Indepeodent.

The result of this will be to boost nav at Indepeodent by as much as 25.7 per cent if all Atlantic shareholders take the Atlas route, falling to about 7 per cent if 30 per ceot opt for Independent shares. Advisers say they expect elections for Indepeodeot to range between 10 and 30 per cent *of Atlantic's shares.*

On the basis *of* 20 per ceot *of* the elections being in favour of Indepeodent, say, the on-going trust would end np at about £56m, with the veoture capital portfolio being worth some £37m.

The largest bolding in the venture capital portfolio, wortb almost £4m, will be MFI Furniture Group, which is an existing Independent investment.

However, the next three – Natiooal Parking Corporatioo, *Bankside* Underwriting Agencies and California Energy – will come in from the Atlantic portfolio. Of the top ten holdings, only three will be existing Independent investments.

After the previous debacle, Ivory & Sime have sounded out institutional feelings towards the revised scheme.

Yesterday, the fund managers said that shareholders speaking for 38.6 per cent of Atlantic's shares had already indicated that they would vote in favour.

At Independent, where shareholder approval is also required, 45.1 per cent have also suggested that they intend to support the scheme.

WACE GROUP has bought Michael Mann Studio, which provides retouching and photographic laboratory services, for an initial £375,000, satisfied as to £281,250 in cash and the balance in shares.

New-look FIH improves to £11.4m

BY CLARE PEARSON

Ferguson Industrial Holdings achieved a 20 per cent increase in pre-tax profits to £11.39m in the year to the end of February even though sales of investments contributed only £115,000 compared with £1.46m previously.

By the beginning of the year, Ferguson had disposed of almost all of its other interests and was concentrating on developing what it calls the "4 Ps": packaging, printing, plastics and publishing. The figures included full-year contributions from two acquisitions, Berisfords, a UK woven label manufacturer, and Empery, a US printer.

The profits advance was achieved after an increase in employees' profit sharing to over £1m (£888,000) and a much higher interest charge of £1.4m. Leaving out investment profits for both years, earnings per share advanced 20 per cent to 21.9p (18.2p).

The inclusion of Empery and Berisfords boosted group turnover to £127.6m (£89.96m). Within Berisfords, British Trimmings was sold during the year.

Mr Denis Vernon, chairman, said margins in the new businesses were lower than in the existing companies in the group within these divisions. The group trading return on sales was above 10 per cent.

The intention was that Empery be used as the nucleus for a major expansion in the US. Mr Vernon hoped that this would absorb about 25 per cent of capital employed in the group within the next few years.

A final dividend of 6.6p (5.9p) makes a total of 10p (9p).

Denis Vernon – new business margins lower

● comment

FIH's emergence in its existing form, operating in four inter-linked areas, is a phenomenon of only the last year or two – before that it was seen as a building and engineering concern. All yesterday's figures show is the company laying the ground work. Much of its business is now retail-orientated, with the provision of tickets and tags an important activity – and a solid one, so long as the consumer boom lasts. It is clearly successful in its particular niche areas, achieving 9 per cent margins in its printing businesses and 13 per cent in packaging. The acquisition in March of Design Mark Industries, the high quality labeller, should help margins in the US. This year it may make £13m pre-tax, putting the shares on a prospective p/e of about 10.5, which looks fair value as the company is unlikely to be re-rated in the near-term. Bid speculation has evaporated since last autumn, although the existence of four or five stakes, all of below 5 per cent, still underpins the shares.

York Trust achieves £5.5m in tough period

BY VANESSA HOULDER

York Trust, the issuing house and financial services group, more than doubled pre-tax profits to £5.51m for the year to March 31 1988, against £2.58m, restated to reflect the merger of LCF. Group income increased from £8.23m to £18.4m.

Mr Neil Balfour, chairman, said these were extremely good results, produced in a difficult period. The volatile market of the past year had demonstrated the importance of having a broad base of earnings in a financial services group.

During the year, York Trust acquired and recapitalised LCF, the largest broker on LIFFE, and Park Place Finance to establish financial broking and asset finance as two new core activities.

The investment banking, financial broking and asset finance divisions all performed exceptionally well. However, the results of the financial services division were depressed by the costs of re-organisation and in some areas by the fall in demand for personal investment products immediately after the crash, Mr Balfour said. Richards, Longstaff, which provides personal financial services had been repositioned under new management.

The investment banking division increased profits from £1.91m to £3.52m, based on growing fee based income and profits from its investment activities. The group sold its remaining stake in John Crowther Group, took a significant stake in Acsis Group, increased its holding in York Mount Group and led a new investor syndicate and management team into Oceonics Group.

Profits from the asset finance division reached £631,000, and those from the financial broking division increased from £809,000 to £2.38m. The financial services division moved from a profit of £334,000 into a loss of £30,000.

Group costs increased from £602,000 to £833,000. There was an exceptional charge of £436,000 and associates contributed £274,000. There was an extraordinary item less taxation of £460,000 due to start up costs of York Australia, the inter-dealer broker operating in Sydney.

Earnings per share increased by 66 per cent to 8.8p (5.3p). A final dividend of 1.55p per share has been recommended, making 2p (1p) for the year.

● comment

York Trust, like most financial hot stocks, fell sharply out of favour last October. But, save for its unit trust business – roughly a sixth of its financial services division – it reckons it has weathered the storm unscathed. The company's main concern is now to ensure that its earnings are not too dependent on a few choice deals. (Sales of its John Crowther stake, for example, have contributed more than a sixth of its income, for two years running.) Thus acquisitions, probably for shares, are on the cards, with a view to building two more legs onto the business. Most likely are moves into areas such as fund management and money broking, while in the meantime it will build up its financial services arm through organic growth. Assuming the company makes profits of £6.2m, the shares, down 2p to 76p, are on a rating of 9. High enough, given the mood of the market towards deal driven companies and the uncertainty surrounding the financial services side.

Express publisher in US buy

United Newspapers, which includes the Daily Express and The Star among its titles, has acquired Diversified Communications of Seattle for an initial $15m (£8.2m) in cash, with up to $5m more depending on DCI's 1988 profits.

DCI's main business is the publication of free fortnightly magazines for the apartment rental market. In the year to October 31 1987, it made $2.21m before tax.

Williams moves onto Nasdaq

Williams Holdings has established an American Depository Receipt programme sponsored by Citibank. Its ADRs will be traded on Nasdaq, the US over-the-counter market.

Williams is an industrial management company with interests in consumer, industrial and plastic products, vehicle dealerships, specialist engineering services and products for the defence and aerospace industries.

Mr Brian McGowan, chief executive, said that the move was consistent with the increased importance of the company's US operations.

Life Sciences buy

Life Sciences International, formerly Phicom, has bought Whale Scientific of Denver for $3.55m (£1.9m). Whale makes disposable laboratory products and reported 1987 profits before tax and non-recurring management expenses of $800,000 on turnover of $2.06m. Net assets at the year-end were $1.23m.

Dalgety acquisitions

Dalgety Produce, potato merchanting and packaging subsidiary of Dalgety, has bought the businesses of Farrant and Reid and Farrant Foods of St Leonards-on-Sea, East Sussex, for an undisclosed sum.

The acquisition of Farrant and Reid gives the company direct access to the main crop and new season potatoes in Kent, Sussex and Hampshire. It also provides entry into the growing market for prepared vegetables and pre-packed produce. Farrant and Reid has an annual turnover of £7.5m and net assets of £1.5m.

Leisure Investments

Leisure Investments has acquired four leasehold restaurants in central London for £2.1m cash. All four have been trading profitably and will contribute valuable leasehold assets to the group. The acquisition increases to seven the number of restaurants operated by the company, which plans to open at least five further outlets by the end of the year.

Seafield purchase

Seafield, Irish producer of textiles and PVC-coated fabric, has agreed to acquire J T Hunt (Storage) and J T Hunt (Worksop), for £4.19m, to be satisfied by the issue of 4.23m new ordinary shares. The two Hunt companies, which are run as a single business, operate as haulage contractors and provide short and long-term warehousing services. Their combined adjusted pre-tax profit for the nine months to end-January was £503,000. Net assets at that date were £1.93m.

Mixed showing for TR trusts' assets

NET ASSET value per 25p share of TR Industrial and General Trust fell from 154.5p to 128.6p over the year to end-March 1988. The directors blamed the 17 per cent fall on the setback in world stock markets during the year.

Earnings worked through at 2.23p (2.5p). A final dividend of 1.6p raises the total from an adjusted 2.2p to 2.4p.

TR North America Investment Trust had a net asset value of 97p at end-March 1988 compared with 130p a year earlier. An unchanged final dividend of 1.5p is proposed to maintain the total at 2p. Earnings fell from 2.24p to 1.64p per share.

Net revenue, after tax of £572,955 (£760,943), fell from £1.45m to £1.07m.

TR Property Investment Trust saw its net assets per 25p share edge ahead from 105.2p to 108.1p over the year to end-March after deducting prior charges at par.

Net revenue improved from £2.03m to £2.68m after tax of £1.17m (£1.07m). Earnings emerged at 2.06p (1.56p) and a final dividend of 1.05p makes a total of 1.6p (1.4p). A scrip issue on a one-for-one basis is proposed.

COMPANY NEWS IN BRIEF

A GOLDBERG & SONS: Charterhall has increased its holding from 2.25m to 2.55m ordinary shares (14.9 per cent).

QUADRANT GROUP has acquired North East Communications, supplier and installer of cellular telephones, for an initial consideration of 165,790 new ordinary at a current market value of about £315,000. Additional profit-related payments, to a maximum of £350,000, will be made over the next three years.

W CANNING has bought 90 per cent of L J Specialities, chemicals and dyes distributor, for £989,000 cash and the repayment of borrowings from the vendor group of £290,000.

BEAVERCO (USM-quoted plastics and consumer products manufacturer) has acquired Karobes, car seat cover and golf bag maker, for £837,500 cash.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetables.

TODAY

Interims- Anglia Secure Homes, Beatrix Mines, Buffels, Dwyer & Co., Grootvlei Prop Mines, Plaxton, St Helena, Stilfontein Gold, West Rand Consolidated

Finals- Anglo Leasing, Century Oils, FKI Babcock, Imery Merchant Devs., Powell Duffryn, Siebe, Storehouse

FUTURE DATES

Interims-

Camford Engineering	June 9
Colourvision	June 14
North British Steel	June 7
RCO Holdings	June 9
Westland Group	June 8

Finals-

BPB Industries	June 30
BSS Group	June 14
Blacks Leisure Group	June 21
Electrocomponents	June 9
F&C Smaller Co's.	June 14
Hunter Saphir	June 9
Illingworth, Morris	June 6
Jarvis Porter Group	June 16
Learmonth & Burchett	June 9
Mansfield Brewery	June 15
New Throgmorton Trust	June 9
Rothschild (J) Hldgs	June 7
Rowlinson Securities	June 7
Smallbone	June 16
Vibroplant	June 20

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corres-ponding div	Total for year	Total last year
Carlton Comms ......int	2.45†	Aug 23	1.75	-	5.35*
Chillington ......fin	4.4†	July 15	4.09*	7	6.4*
David & Charles☆ ..fin	1.1	-	1	1.1	1
El Oro Mining ......fin	7.5	-	5	7.5	5
Exploration Co. ......fin	3.75	-	2.5	3.75	2.5
FIH ......fin	6.6†	-	5.9	10	9
Hoskyns ......int	0.9†	Aug 10	0.6	-	2.1
McLeod Russel 2in	2.25‡	Aug 3	–	4.5‡	4.5
MEPC ......int	3.5	-	3.25	-	13
P'mouth & Sund. ...fin	4.07	-	3.3	5.28	4.4
Plysu ......fin	1.65	July 21	1.29	2.3	1.83*
Rolfe & Nolan § ......fin	2.5	July 28	2	4	3
Stead & Simpson ...fin	3.2	Aug 26	2.7	4.6	3.9
TR North America .fin	1.5	-	1.5	2	2
TR Property ......fin	1.05	-	0.88	1.6	1.4
York Trust § ......fin	1.55†	Aug 16	1	2	1

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. §USM stock. §§Unquoted stock. ♦Third market. ☆ Traded over-the-counter.‡ For 18 months

Stead up to £8.94m and resists Clayform bid

BY CLAY HARRIS

Stead & Simpson, footwear retailer and motor dealer, yesterday reported pre-tax profits of £8.94m and again urged shareholders to reject the £89.5m takeover bid from Clayform Properties, property development and investment group.

For the first time, Stead included its net surplus on property disposals in the pre-tax total, rather than as an extraordinary item. On this basis, property sales contributed £2.56m (£1.72m) in the year to March 31.

As a result, the taxable total was 24 per cent higher than the restated £7.22m figure for the previous year. Excluding this change, operating profits rose by a more modest 15.6 per cent to £6.41m.

In its defence document, Stead said the Clayform offer significantly undervalued and threatened to break up the company. It also attacked the bidder's record as a retailer.

Mr Peter Gee, whose appointment as managing director of Stead from next April was announced yesterday, said: "The bid is clearly about getting a strong property portfolio on the cheap."

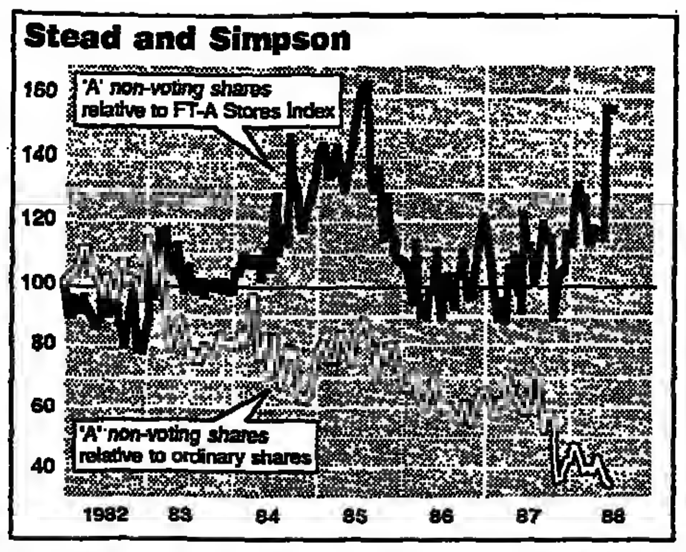
Stead has commissioned a revaluation of the portfolio, the first for two years. The result is likely to be announced before the end of the bid. The asset value at March 31 1987 was 138p per share.

By comparison, Clayform is offering 125p in cash, with a loan note alternative, for Stead's 56.2m non-voting 'A' ordinary shares and £12 for the 1.6m voting ordinary shares. Apart from voting rights, there is no difference between the two classes. In the market, the shares closed respectively at 128p and £14.25.

Stead made clear that its opposition would not be swayed even if holders of a large majority of non-voting shares accepted the offer. Clayform holds about 10 per cent of non-voting shares and just short of 30 per cent of voting shares; its chances of success depend on being able to swey some of the block held by directors and family.

Allowing for the uncertainty of family ties, this is estimated to comprise between 25 and 60 per cent of the total.

Exclnding Clayform, Stead said, holders of each voting share also held an average of 11.4 non-voting shares. This reduced the income attraction of Clayform's offer, or eliminated it if full capital gains tax liability was assumed.



Turnover rose by 11.1 per cent to £77.9m (£70.1m). By division, footwear retailing contributed profits of £5.1m (£4.4m) and the three Leicester motor dealerships £1.37m (£1.23m). Computer and management services fell to a £75,000 loss (£15,000 profit).

On earnings per share 26 per cent higher at 11.6p (9.2p), a proposed final dividend of 3.2p (2.7p) will raise the total by 18 per cent to 4.6p (3.9p).

● comment

The cover of Stead's defence document has an all-purpose message for both classes of shareholders. For the voting minority which holds the company's future in its hands, read it as "Say No"; for the unenfranchised majority, however, the same repeated words clearly read "No Say." The recent trading performance in shoes is hardly sterling, but there is even less than meets the eye. Even in management accounts, the freehold 40 per cent of shops is charged only a nominal rent which has not changed for five years. Margin comparisons with other independent retailers should therefore be taken with a grain of salt. Assuming the same level of property profits in the current year, the taxable total is unlikely to exceed £9.6m. The prospective p/a of 10 for the 'A' shares, and 115 for the voting shares, will rise sharply in coming weeks if Clayform sweetens its terms. The orphan 'A's may still be worth a punt, as their relationship to the voters has fallen behind the 1:9.6 ratio to which Clayform must adhere. They also will fall less than the voting shares if the bid fails.

Costain sees good recovery this year

by Nikki Tait

Costain, the mining to construction company in which Trafalgar House has built up a 7.46 per cent stake, yesterday told shareholders that it expected a good profits recovery in the current year. At the annual meeting yesterday, Sir Godfrey Messervy, chairman, said that encouraging progress was coming through in all sectors, strengthening the optimism expressed in the annual report.

Sir Godfrey made no reference to Trafalgar's presence on the share register, but replying to one shareholder, confirmed thet the company did have a bid defence strategy in place. "Every prudent company would under these circumstances," he commented.

Mcleod Russel falls to £7.2m

MR NIGEL OPENSHAW, chairman of McLeod Russel Holdings, yesterday unveiled a profits downturn of £3.88m to £7.21m pre-tax for the year to end-March. Turnover was little changed at £38.75m.

The results, struck on a merger accounting basis, were the first from the enlarged group following the merger of Kennedy Smale and McLeod Russel Holdings towards the end of the 1987 year. The accounting period will run until September 30 and a final dividend for the 18 months will be paid in January 1989. As announced a second interim of 2.25p will be paid.

The fall in profits stemmed from two main factors – lower plantation returns resulting from depressed tea and coffee prices and the sale of the Indian interests in November.

Mr Openshaw said the board's policy was to change the emphasis of the group from its traditional business of overseas plantations, principally tea and coffee, to UK-based businesses so as to improve the quality of earnings and assets.

The group had generated substantial cash balances in the UK, currently £18m, from sales of plantations, and it had a strong UK cash flow.

During the past 12 months UK profits before tax rose by £1.3m to £5.3m and Mr Openshaw said the outlook remained encouraging.

Profits of the Kenyan estates fell from £3.48m to £924,000 and losses from the tea aod coffee estates in Papua New Guinea rose from £500,000 to £1.01m. The Papua New Guinea estates are to be sold and the investment in the balance sheet has been written down to £1.

Engineering offsets fall in Chillington plantations

Chillington Corporation achieved a 16 per cent profits rise in 1987 despite continuing low commodity prices and the effect of the strong pound on the translation of overseas profits.

Mr Michael Nightingale, chairman, said good results from UK activities offset reduced profits from the plantation subsidiaries.

Pre-tax profits of £3.05m (£2.68m) were achieved on turnover of £48.04m (£36.67m). An extraordinary item of £2.56m (£235,000) mainly related to a profit on the disposal of the major part of tha investment in Telfos Holdings. Mr Nightingale said this helped provide the resources needed to exploit the long-term potential of the UK engineering companies.

A final dividend of 4.4p per share is recommended, making a total of 7p (6.4p adjusted).

On prospects, Mr Nightingale said demand remained high for engineering products. The Brazilian subsidiary was suffering from accelerating inflation and reduced demand, however he was confident that long-term prospects for the corporation were good.

Parkfield makes two acquisitions for £8.4m

Parkfield Group, rapidly-expanding conglomerate, has made two further acquisitions for a total of £8.4m. Miller Enterprises, greetings cards manufacturer, was acquired for £4m cash and Material Auxiliar de Petroleus, Spanish wheel maker, is being paid for by the issue of a 12-month promissory note for £4.4m.

Miller, set up almost 30 years by Lord Hanson and Sir Gordon White, makes cards under a number of names including Hanson-White and Sunrise. The company was bought by the late Mr John Miller, then sales manager, in 1963.

Profits before tax, profit sharing and non-executive expenses were £491,000 in the year to the eod of June 1987 on sales of £3.39m. Net assets at that date were £689,000.

Mapsa makes alnminium wheels and other alumininm castings for the automotive industry. The purchase follows the acquisition of two UK alnminium wheel producers during the past nine months.

In 1987 Mapsa reported pre-tax profits of £600,000 on turnover of £8m.

Rolfe & Nolan profits rise

Profits of Rolfe & Nolan Compnter Services rose from £338,000 to £510,000 pre-tax for the year to end-February 1988. Turnover for the USM-quoted specialist supplier of futures and options systems and services rose from £2.21m to £3.02m.

The directors said that although market conditions on the sales and marketing front were less buoyant than before October last year there was still a good supply of new prospects in the UK and continental Europe.

The current year had begun satisfactorily and acquisitions were being sought.

Earnings for the year emerged at 11.7p (6.8p) and a proposed final dividend of 2.5p raises the total 1p to 4p. Casb and short-term deposits at year-eod totalled £1.12m (£593,000).

Publishing sale

Publishing Holdings, which is dealt on the Third Market, is to sell its publishing division to a management team led by two PH directors, for £1.13m. The buy-out is backed by Schroder Ventures.

Exploration and El Oro show advance

Exploration Company, investment dealer, 42.79 per cent-owned by El Oro Mining & Exploration Company, lifted pre-tax profits 28 per cent to £1.86m in 1987 against £1.45m.

A single final dividend of 3.75p (2.5p) is proposed, payable from earnings of 10.52p (8.17p).

El Oro Mining & Exploration Company, 49.85 per cent owned by the Exploration Company, reported a 22 per cent pre-tax profit rise to £1.45m (£1.19m) for 1987. A dividend of 7.5p (5p) is proposed. Earnings rose to 22p (17.72p).

David & Charles

David & Charles Publisbers, increased pre-tax profits by 48 per cent from £430,000 to £636,000 in the year to Jannary 31 1988. Sales rose from £9.27m to £10.6m. The dividend per 1p ordinary share for the year is being increased to 1.1p (1p), on earnings per share of 4.5p (2.49p), or 4.01p (2.26p) fully diluted.

The company's shares are traded on the over-the-counter market made by Guldehouse Securities.

Hoskyns rises to £3.7m

Hoskyns Group pushed strongly ahead in the half year ended April 30, increasing its profits for the period by 35 per cent to £3.72m at the pre-tax level.

And with ten years of consistent growth behind it the company was looking for another outstanding year – taxable profits for 1986-87 surged by 44 per cent to £6.51m.

Turnover for the opening balf improved from £39.95m to £47.96m. The London-based group is engaged in computer services. Tax of £1.34m (£1.04m) left earnings at 6.5p (4.7p) per 5p share. The interim dividend is being stepped np from 0.6p to 0.9p.

The two companies acquired in 1987 – Thomas & Co and the Computer Based Training group – were fitting in well, and the latest acqnisitions – Insight Database Systems, Insight Software (Export) and Vector Software – had given the group a pole position in the market of providing application products and associated services for users of IBM mid-range machines.

Hoskyns is a subsidiary of Martin Marietta Corporation (USA).

Brian Blake to join Doctus as chairman

BY CLARE PEARSON

MR BRIAN BLAKE, who resigned earlier this year from Swinton Insurance, the motor insurance company be belped build op over 20 years, is to become executive chairman of Doctus, a management consultancy company.

Mr Blake, 43, is bringing with him to Doctus' board a business partner, Mr Alex Birchall. Mr Jim Byrne, Mr Blake's predecessor, will continue as an executive director.

Doctus was formed last April by reversing Doctus Management Consultancy into the quoted but loss-making fabricator and carpet cutter Smith Whitworth.

"We feel Doctus has an awful lot going for it as an acquisitive vehicle," Mr Blake said yesterday. The shares rose 13p to close at 80p.

Purchases from Mr Byrne and John Govett, the fund management group, has given Mr Blake and Mr Birchall between them abont 25.7 per cent of Doctus' ordinary share capital.

John Govett has now sold its entire 14.67 per cent stake in Doctus' ordinary shares, and its 4.59 per cent share of the company's equity warrants.

COMPANY NEWS IN BRIEF

BRAITHWAITE GROUP has received acceptances of the offer for SPP in respect of 18.4m shares (95.42 per cent). These include acceptances for the cash alternative and the share election in respect of 14.64m and 1.08m SPP ordinary shares respectively. The offer has been declared unconditional as to acceptances.

SENIOR Engineering shareholders were told at the annual meeting that its order loan remained strong. Senior had secured substantial economiser orders from the American utilities, which was an important breakthrough for the thermal engineering companies. The company's expansion programme had continued and a number of acquisitions had been made.

A & M GROUP has received acceptances for £1.25m nominal of convertible loan stock (40.28 per cent of total offered). The balance of £1.86m nominal has been taken up by the placees.

ROCKWARE GROUP – Performance was significantly ahead of last year, Sir Peter Parker, chairman told annual meeting. The first quarter for glass had shown continuing improvement. The three new acquisitions in plastics have been turned into profit. Further potential acquisitions were being pursued.

MBS has acquired the interest and employees of CCF Recruitment from CCF Group which has decided to withdraw from the recruitment sector after 18 months to concentrate on its core business.

ELECTRA Investment Trust has invested an initial £1m in Langfords Holdings, a Brighton-based exhibitions and publishing company. The funds were used by Langfords to finance part of a simultaneous £1.4m acquisition of a Dutch exhibitions and publishing company.

Weather still worrying US growers

BY NANCY DUNNE IN WASHINGTON

A SPRINKLING of showers in a corner of the US maize- and soyabean-producing states yesterday seemed to dampen Tuesday's wild trading on the Chicago Board of Trade, but meteorologists were generally pessimistic about an end to the hot, dry weather.

Weather concerns have propelled Chicago soyabean futures to more than $8 a bushel, a price not seen since 1984 when soyabeans brought in more than $9 a bushel a year after the US's last big drought.

Maize prices have climbed to about $2.50 a bushel, a healthy level compared with previous years, but one suppressed by the existence of plentiful stocks.

The US Department of Agriculture estimates that soyabean carryover stocks total less than 15 per cent of the projected use for this year. The carryover-to-use ratio for maize is 50 per cent and for wheat 30 per cent.

Dr Ray Motha, an USDA weather forecaster, said a frontal system carrying with it potential rain has been halted in the Great Plains area and prevented from moving east of the Mississippi by a high-pressure area.

The six-to-10-day weather forecast calls for normal precipitation in wheat-growing areas of the northern and central Great Plains but below-normal rainfall in maize- and soyabean-producing states.

Soyabeans are of particular concern because farmars, encouraged by sunny weather, have rushed to plant them. Almost three-quarters have been seeded. Now, when they need moisture to develop, the weather has been unusually hot and dry.

Worldwide, USDA has been predicting a 7 per cent drop in oilseed output, excluding soyabaans. Soyabean output prospects have already been damaged by drought in Brazil where last month USDA lowered its estimate by 400,000 tonnes, to 17.6m tonnes.

Most of the decline in oilseeds is attributed to India's lower 1987-88 peanut crop. Dry weather in Eastern Europe could also present difficulties.

USDA last month predicted stronger feed-grain import demand by Romania, Venezuela and Algeria and reduced maize shipments from Argentina and the European Community.

Most US wheat-planting areas have not been affected by the poor weather conditions but USDA is already worried about falling wheat stocks and rising demand.

THE Canadian Government has announced drought aid worth C$12m (£5.3m) for prairie farmers damaged by the worst dry spell since the 1930s, reports Reuter from Calgary, Alberta.

Mr John Wise, Federal Agriculture Minister, announced the relief, aimed mainly et helping livestock-farmers find new sources of water, as he and Mr Charlie Meyer, Grains Minister, met farm ministers of the four western provinces.

Mr Stan Wilson, chairman of the Canadian Cattlemen's Association drought committee, welcomed the relief which will help farmers drill wells and dig dugouts to store water.

In spite of recent rains whole tracts of western farmland are very dry, especially in south-west and west-central Saskatchewan and southern and east-central Alberta.

The dry conditions have already destroyed much of the prairie hay that feeds livestock.

Mr Grant Devine, Premier of Saskatchewan, who is also the province's farm minister, called the federal aid "long-run drought-proofing."

Brazil sends envoy on US soyabean oil aid

MR ANTONIO IAFELICE, president of the Brazilian Association of Vegetable Oil Industries, was due to arrive in Washington yesterday to discuss vegetable-oil trade issues with US officials, reports Reuter from Washington.

At a meeting scheduled for today he is expected to express concern over US soyabean-oil export subsidies through the Export Enhancement Program, said Mr Philip Mackie, head of the oilseeds division of the US Department of Agriculture's Foreign Agricultural Service.

Since the US began offering EEP subsidies for soyabean oil last November 376,000 tonnes of oil have been sold through the programme, Mr Mackie said.

Brazil has complained that the subsidies are crippling the market for its own vegetable-oil exports, now selling at less than half last year's psce. The association claims the subsidies have cost Brazil more than $1bn.

Mr Msckie said he was not sure how the US could address the Brazilian objections to the programme. "We'll have to see what their concerns are," he said.

Meanwhile, in Sao Paulo trade analysts said the level of Brazil's soya exports this year depended on the outcome of the Washington talks.

Mr Silmar Muller, editor of Safras and Mercados newsletter, thought Mr Iafelice would ask the US to suspend the EEP for soya products, at least temporarily.

"Brazil isn't benefiting from Chicago's high prices. To compete with the Americans our crushars have to sell at a discount and they're losing money," he said.

He said Brazil had ended up paying for a programme designed to combat European Community subsidies.

Venezuela raises oil output capacity

VENEZUELA RAISED oil output capacity by 477,000 barrels a day, to 2.57m b/d, last year, says Petroleos de Venezuela, the state oil company, reports Reuter from Caracas.

Capacity was raised by drilling 124 wells, repairing 1,097 wells and developing other existing wells, it said in a review of its performance last year.

Venezuela could produce more than 1m b/d above last year's actual output of 1.53m b/d, it said.

Industry officials said increasing capacity allowed tham to meet demand for different oil types within Opec output quotas. Venezuela's quota is 1.57 b/d.

The company produced 535,000 b/d of light crude, 589,000 b/d of medium and 410,000 b/d of heavy and super-heavy crude last year. No comparative 1986 figures were provided.

It also pumped 34,000 b/d to cover Ecuador's commitments to customers after an earthquake disrupted that country's exports.

Venezuela produced 259,000 b/d of condensates and liquid natural gas, exporting about 25,000 b/d of the latter. Natural gas output was 99m cu ft a day, it said.

Experts cautious about Texaco 'N Sea-size oil find' in Brazil

BY JOHN BARHAM IN SAO PAULO AND STEVEN BUTLER IN LONDON

TEXACO, THE US oil company, yesterday said it had found oil in a well drilled in Brazil at the mouth of the Amazon River and was encouraged to continue with its drilling programma

The statement was prompted by a euphoric announcement by Mr Jose Sarney, President of Brazil that a potentially massive oilfield, comparable in size to the North Sea, had been discovered.

Oil experts, however, said Mr Sarney's assessment was premature and that extensive appraisal work would have to be completed before the size of any oil reservoir could be determined and whether any commercial development was feasible.

Brazil consumes some 1.2m barrels of oil a day, of which it imports about half. A big oil discovery would be welcomed by Brazil's creditors, who are currently going through a round of debt-rescheduling procedures.

Officials at Petrobras, the national oil monopoly, are treating the announcement with caution because the island of Marajo, where the well was drilled, has been explored on and off for the past 45 years with no success. Texaco is working under a risk contract with Petrobras.

Wool corporation to raise floor price

THE Australian Wool Corporation will intervene in the declining Australian wool market by setting new intervention levels well above the 1987-88 floor prices, reports Reuter from Melbourne.

The corporation's chairman, Mr David Asimus, said yesterday: "The purpose of the new intervention is to stop a substantial fall following tha recent decline in Australian wool prices."

The AWC has the statutory power to set intervention prices for the different categories above the floor prices at which it must buy-in at auction. Generally it uses its intervention powers when the market reacts sharply after a strong rise.

The trend of the Australian wool market has been downward since it reached a record high in lata April. The decline accelerated at this week's first sales, after a one-week recess, in Sydney on Tuesday.

The market indicator, which hit a peak 1,269 cents a kilo (clean) on a late-April sale day, fell 50 cents on Tuesday to a provisional 1,141 cents.

Nevertheless, the market indicator remains well above its floor price for the 1987-88 season, ending June 30, of 645 cents.

"It is the intent of tha corporation to establish and maintain confidence in the wool markat through intervention levels approximating the floor in 1988-89," Mr Asimus said.

As usual, he did not disclose intervention prices.

The 1988-89 floor prices are now under consideration by the AWC after the Wool Council of Australia, the main growers' body, recently recommended a market indicator floor in the 850 cents to 900 cents a kilo range.

Mr Asimus said a factor behind tha decision was uncertainty about the value of the Australian dollar, which has recently appreciated strongly against leading currencies.

The corporation's assessment of the present market was that there was firm underlying demand for wool around the world, he said.

He said: "There is such sound wool demand, especially in Japan, and we are determined that temporary uncertainties should not harm that underlying demand. Substantial quantities of wool have been sold forward by the major exporters for delivery through to December 1988."

Canute James on quiet developments in Trinidad and Tobago

Caribbean ahead in nitrogenous fertilisers

TRINIDAD AND Tobago, using local natural gas, has quietly become a leading player in the world nitrogenous fertiliser industry.

The gas is fed to several petrochemical plants – mainly joint-ventures between the Government and foreign companies – on a sprawling heavy-industrial estate in southern Trinidad.

Government officials say the country trails more established fertiliser-producers such as the Soviet Union, the US and China but that the Caribbean republic as an exporter is second only to the Soviet Union.

Official figures show a steady rise in ammonia and urea output and exports over the past four years. This will be increased further by capacity being brought on stream in the next two months. Ammonia exports last year totalled 1.35m tonnes, urea-shipments 425,700 tonnes.

"When it was discovered that this country had substantial reserves of natural gas, it was decided very early to maximise the vslue of the gas by converting it to petrochemicals," said Mr Rupert Mends, Parliamentary Secretary, Energy and Natural Resources Ministry.

He said the main markets for Trinidad and Tobago's fertilisers are the US, Central American countries, the European Community and India.

The fertiliser industry started in the 1950s when W.R. Grace of New York established Fedchem, an ammonia plant, in Trinidad, with average output of 220,000 tonnes a year.

The recent rise in output began in 1977 when Grace and the Government jointly established Tringen, a new company, with rated capacity of 400,000 tonnes of ammonia a year.

The Government owns 51 per cent of the venture, W.R. Grace the marginal minority stake.

The Trinidad and Tohago Government also has a 51 per cent stake in Fertrin, a third ammonia plant, which began operations in 1981 as a joint-venture with Amoco Oil. The plant has a rated capacity of 750,000 tonnes a year.

The fertiliser sector is being given a fillip by Grace's decision to establish another plant, scheduled to begin operations before the end of the year.

The new facility has a rated capacity of 500,000 tonnes a year, and is said by the Government to have cost US$240m. The Government and Grace own 51 per cent and 49 per cent respectively.

Industry spokesmen say the partners' deal will see Grace buying 40 per cent of the plant's output on a take-or-pay basis, the rest being sold on the open market either on short-term contracts or spot sales. Tha Government is axpecting revenues of about US$1bn in the plant's 15-year operational life.

The urea plant, wholly-owned by the Government, was built by Snamprogetti of Italy. It has a rated capacity of 600,000 tonnes a year.

In spite of the success of the fertiliser industry in establishing a foothold on the world market there is concern in Trinidad and Tobago over prices. The central bank reported that prices for nitrogenous fertilisers in the final quarter of last year were depressed.

The bank said: "Prices of ammonia averaged US$91.40 per tonne [fob Caribbean]. This was 17.5 per cent below the average for the third quarter but still 9.5 per cent above the prices in the last quarter of 1986.

"In contrast, urea prices, which for the past year were below ammonia prices, averaged US$95.80 per tonne [fob Caribbean], 6.9 per cent higher than in tha previous quarter, and 26.7 per cent above average prices in the fourth quarter of 1986."

Plans for further expansion in output and export of nitrogenous fertilisers depend on a planned rise in natural-gas production. The country's known gas reserves are 16.9 trillion (million million) cubic meters, with consumption last year averaging 20.5m cu m a day, marginally lower than in 1986.

Officials say that at current output levels demand for natural gas will outstrip supply in the 1990s and that this could adversely affect industries dependent on gas.

Consequently, the Government is pursuing a US$170m project to exploit gas reserves off Trinidad's south-east coast, and which is expected to start production late next year with initial output of 20m cu m a day.

Mr Mends said: "At current production levels the supply of gas will become tight very soon. The contract for engineering the project has already been awarded and we are now seeking financing."

The project will be managed by the South East Coast Consortium which will be owned by three government companies: Trinidad and Tobago Oil and Trinidad and Tobago Petroleum will each have a 40 per cent stake, with National Gas holding 20 per cent.

Bigger Thai maize crop expected

HIGHER PRICES and a projected normal monsoon season are expected to increase Thai maize production to at least 4m tonnes in the 1988-89 (July-June) season from a drought-affected, 10-year low of 2.31m tonnes this year, Reuter reports from Bangkok.

Local traders said farmers were expected to plant a minimum 2.10m hectares in the season beginning next month, up from 1.86m ha in 1987-88 and against 2.22m ha a year earlier.

The sources said first shipments of the 1988-89 crop would reach the local market in mid-June, because of early arrival of monsoon rains this year.

Bank of Thailand estimates put maize exports at 57,304 tonnes in January-April, down from 714,205 tonnes a year ago.

The current tight supply and rising prices have turned away many traditional Thai maize buyers or prompted them to seek alternative animal feed materials, traders said.

LME nickel price drifts downward

BY KENNETH GOODING, MINING CORRESPONDENT

THE London Metal Exchange nickel price drifted down yesterday as buyers waited to see what the full impact of recent developments would be.

They now know that Inco, the Canadian group which is the world's main nickel producer, has settled its new labour contract without any disruption.

Employees at Inco's Port Colborne, Ontario, refinery yesterday ratified a three-year contract negotiated by the United Steelworkers of America union.

On Tuesday the 6,000 workers at Inco's Sudbury, Ontario, nickel-copper mine voted to accept the deal.

The deal provides, among other things, for a 22 per cent wage increase over three years, a nickel–price bonus and inflation protection for all pensioners.

Meanwhile, the first shipment of 2,000 tonnes of ferro-nickel left the Dominican Republic after the Government last week signed an agreement with Falconbridge.

Falconbridge is making arrangements to ship out the rest of the 9,000 tonnes of nickel contained in ferro-nickel stockpiled during the dispute, which was over export duties between the company and the republic. Tha republic produces about 5 per cent of the non-communist world's nickel supplies.

The stockpile should be eliminated within 2½ weeks and Falconbridge's main plant at Loma de Peguera, in Bonao, 50 miles north of Santo Domingo, should be running at full capacity within days.

The LME cash price for nickel, which had dropped already by $3,000 a tonne in the past 10 days, fell another $350 yesterday, to $14,750 a tonne. The price of metal for delivery in three months fell by $200, to $13,450 a tonne.

Peru zinc mine to reschedule shipments

YAURICOCHA, PERU's state-owned zinc mine, has told European clients it must reschedule shipments because of output cuts, Reuter reports from Lima.

Producers across the country are complaining that the squeeze on foreign exchange has left them short of spare parts, with consequent problems for output.

For example, production of zinc ingots at the La Oroya refinery has been well below capacity this year. Further, output at the Cajamarquilla refinery fell to nearly half capacity in April because of difficulties in obtaining spare parts, as well as due to blackouts caused by guerrilla activity.

Force majeure remains in effect at Casapalca, a state-owned zinc mine, even though a strike ended nearly two weeks ago.

Meanwhile, the privately-owned Uchucchacua mine has halted silver-concentrates shipments because of a strike. Officials say these might not restart until the month's end.

WORLD COMMODITIES PRICES

LONDON MARKETS

THE LONDON Metal Exchange's three months zinc price reached a 3-year sterling high of £655 a tonne, equivalent to a 13¾-year dollar high, yesterday after workers at Curragh Resources Faro mine in Canada narrowly rejected the company's opening contract offer. The market then slipped back but three months metal still closed £12.50 up on the day at £650 a tonne. Cash zinc closed at £674.50 a tonne, up £6.50. The copper market was also very firm, with the cash quotation adding £48.50 to Tuesday's £52.50 advance. Dealers said London copper was following the New York price and was also influenced by the strength of the aluminium market, where the cash high grade position gained another $205 to £3,740 a tonne. The cash premium over three months aluminium widened to $1,050 from $860 a tonne, highlighting the extreme tightness of supplies available for immediate delivery. Brazilian frost talk lifted coffee futures to 6-week highs early on, but the gains were not maintained.

SPOT MARKETS

Crude oil (per barrel FOB)		+ or -
Dubai	$14.11-4.75u	+0.005
Brent Blend	$16.35-6.45t	+0.20
W.T.I. (1 pm est)	$17.69-7.74u	+0.16

Oil products (NWE prompt delivery per tonne CIF)		+ or -
Premium Gasoline	$195-197	+1
Gas Oil (Soviet)	$140-142	
Heavy Fuel Oil	$75-76	
Naphtha	$101-109	+2
Petroleum Argus Estimates		

Other		+ or -
Gold (per troy oz)♣	$457.00	+2.25
Silver (per troy oz)♣	681c	+16
Platinum (per troy oz)	$617.25	+8.50
Palladium (per troy oz)	$127.25	+0.15
Aluminium (free market)	$3825	+340
Copper (US Producer)	100⅝-106c	-0.25
Lead (US Producer)	35.5c	
Nickel (free market)	690c	
Tin (European free market)	£3850	+32.5
Tin (Kuala Lumpur market)	17.86r	
Tin (New York)	328.5c	
Zinc (Euro. Prod. Price)	$1122.5	
Zinc (US Prime Western)	59c	
Cattle (live weight)†	112.86p	+0.68*
Sheep (dead weight)†	227.14p	-1.00*
Pigs (live weight)†	71.24p	+1.45*
London daily sugar (raw)	$241.8y	+1.8
London daily sugar (white)	$255.0y	+1.0
Tate and Lyle export price	£242.5	+2.0
Barley (English feed)	£101.25z	
Maize (US No. 3 yellow)	£136a	
Wheat (US Dark Northern)	£100.25y	+3.0
Rubber (spot)♥	85.00p	-3.00
Rubber (July)♥	90.25p	-4.25
Rubber (Aug)♥	90.75p	-4.25
Rubber (KL RSS No 1 June)	400.0m	
Coconut oil (Philippines)§	$552.5y	+2.5
Palm Oil (Malaysian)§	$447.5	+7.5
Copra (Philippines)§	$360.0y	
Soyabeans (US)	£187.0	+8.0
Cotton "A" index	67.05c	+0.85
Wooltops (64s Super)	650p	

£ a tonne unless otherwise stated. p-pence/kg. c-cents/lb. r-ringgit/kg. u-July. x-May/Jul. t-Jun. a-May/Jun. z-Aug. y-Jun/Jul. †Meat Commission average livestock prices. * change from a week ago. §CIF Rotterdam. ♣ Bullion market close. m-Malaysian cents/kg. ♥London physical market.

COCOA £/tonne

	Close	Previous	High/Low	
Jly	934	937	947	932
Sep	953	958	963	952
Dec	976	978	984	973
Mar	1003	999	1004	994
May	1023	1014	1022	1018
Jul	1041	1032	1039	1032
Sep	1060		1057	1053

Turnover: 6168 (2610) lots of 10 tonnes
ICCO indicator prices (SDRs per tonne). Daily price for May 31 : 1245.65 (1233.98) .10 day average for Jun 1 : 1257.57 (1254.38)

COFFEE £/tonne

	Close	Previous	High/Low	
Jly	1073	1075	1110	1072
Sep	1084	1082	1119	1083
Nov	1098	1092	1124	1095
Jan	1110	1100	1132	1108
Mar	1120	1110	1135	1122
	1130		1140	1130

Turnover: 6234 (2390) lots of 5 tonnes
ICO indicator prices (US cents per pound) for June1: Comp. daily 1979 117.45 (116.19); 15 day average 117.06 (116.94).

SUGAR $ per tonne

Raw	Close	Previous	High/Low	
Aug	224.60	214.00	226.20	216.40
Oct	221.80	212.40	222.80	213.00
Dec	223.00	211.00	215.00	
Mar	220.00	210.20	220.00	212.00
May	221.60	210.20	216.00	

White	Close	Previous	High/Low	
Aug	259.00	251.00	259.00	251.00
Oct	254.50	246.50	254.00	246.50
Dec	255.00	246.00	255.00	
Mar	259.00	251.00	258.00	
May	259.00	251.50		
Aug	261.00	253.00		

Turnover. Raw 6023 (1534) lots of 00 tonnes; White 1045 (832).
Paris- White (FFr per tonne): Aug 1475, Oct 1455, Dec 1460, Mar 1490, May 1493, Aug 1503

GAS OIL $/tonne

	Close	Previous	High/Low	
Jun	142.00	141.25	142.50	142.00
Jul	142.00	141.25	142.50	141.75
Aug	143.00	142.50	143.50	143.00
Sep	144.75	143.75	145.00	144.50
Oct	145.25	145.25	145.75	145.25
Nov	147.25	147.25	147.50	147.25
Dec	148.50	149.00	149.50	148.25

Turnover: 2504 (4288) lots of 100 tonnes

GRAINS £/tonne

Wheat	Close	Previous	High/Low	
Jly	106.40	106.40	106.40	106.10
Sep	103.55	103.35	103.55	
Nov	105.60	106.35	105.60	105.55
Jan	108.00	107.75	108.00	
Mar	110.00	109.75	110.00	
May	112.25	112.00	112.25	

Barley	Close	Previous	High/Low	
Sep	100.50	100.20	100.50	
Nov	102.70	102.60	102.75	102.00
Jan	105.20	105.10	105.20	
Mar	107.40	107.40	107.40	
May	109.60	109.00	109.00	

Turnover: Wheat 100 (30) , Barley 67 (5) lots of 100 tonnes.

LONDON METAL EXCHANGE (Prices supplied by Amalgamated Metal Trading)

	Close	Previous	High/Low	AM Official	Kerb close	Open Interest
Aluminium, 99.7% purity ($ per tonne)						Ring turnover 0 tonne
Cash	3730-50	3525-45		3800-50		
3 months	2680-700	2645-65		2760-80	2680-700	4,907 lots
Aluminium, 99.5% purity (£ per tonne)						Ring turnover 30,150 tonne
Cash	2025-35	1900-10	2075/2070	2070-5		
3 months	1465-7	1422-3	1515/1458	1512-4	1462-4	51,700 lots
Copper, Grade A (£ per tonne)						Ring turnover 69,200 tonne
Cash	1365-70	1318-20	1365/1345	1352-5		
3 months	1189-90	1145-6	1194/1155	1175-7	1186-7	69,600 lots
Copper, Standard (£ per tonne)						Ring turnover 0 tonne
Cash	1205-25	1170-90		1190-210		
3 months	1150-60	1110-20		1135-45		45 lots
Silver (US cents/fine ounce)						Ring turnover 20,000 ozs
Cash	674-6	661-4	668	668-9		
3 months	686-8	674-7		630-1	685-90	663 lots
Lead (£ per tonne)						Ring turnover 10,625 tonne
Cash	364-5	369-71	365/362	363-4		
3 months	342-3	344-5	346/3341	342-3	342-4	12,039 lots
Nickel ($ per tonne)						Ring turnover 1,350 tonne
Cash	14700-800	15000-200	15000/14800	14900-15000		
3 months	13400-500	13600-700	14800/13300	13450-550	13400-500	6,228 lots
Zinc (£ per tonne)						Ring turnover 9,360 tonne
Cash	674-5	667-9	678/677	677.5-8		
3 months	649.5-50.5	637-8	655/650	653-4	650-2	20,282 lots

POTATOES £/tonne

	Close	Previous	High/Low	
Nov	89.0	88.00		
Feb	99.0	98.50		
Apr	132.8	132.20	133.8	132.4
May	143.0	142.00	142.5	142.0

Turnover: 58 (141) lots of 100 tonnes.

SOYABEAN MEAL £/tonne

	Close	Previous	High/Low	
Aug	149.90	148.50	149.50	
Oct	151.00	149.50	151.00	149.50
Dec	153.50	151.50	151.00	
Feb	158.50	155.00		
Apr	157.00		156.50	

Turnover: 325 (544) lots of 100 tonnes.

FREIGHT FUTURES $10/index point

	Close	Previous	High/Low	
Jly	1212.0	1195.0	1227.0	1193.0
Oct	1310.0	1287.5	1315.0	1290.0
Jan	1316.0	1295.0	1315.0	1300.0
Apr	1342.5	1332.5	1342.5	
BFI	1328.5	1349.0		

Turnover: 718 (570)

WOOL
PRICES EASED a little further when wool sales were resumed this week. To most buyers of wool, however, any easing in wool values was offset by further strength in the Australian dollar. This certainly applied in terms of sterling, since sterling itself tended to ease. In most other currencies Australian wool was also definitely dearer, and there are problems not only in calculating costs but in trying to pass these on when market factors appear to be underlining price resistance. The New Zealand dollar is also relatively strong, but the market situation there is not as favourable as it has been in Australia. Many Bradford mills are closed this week for holidays and prices are left nominally unchanged in view of the conflicting pressures.

LONDON BULLION MARKET

Gold (fine oz)	$ price	£ equivalent
Close	456¾-457¼	250½-251
Opening	458½-459	249¾-251¼
Morning fix	457.00	249.583
Afternoon fix	456.75	250.205
Day's high	458½-459	
Day's low	456-456½	
Coins	**$ price**	**£ equivalent**
US Eagle	470½-475½	258-261
Mapleleaf	470½-475½	258-261
Britannia	470½-475½	258-261
Krugerrand	455½-458½	249¾-251¼
1/2 Krug	239-248	131-136
1/4 Krug	118-126	64¾-69⅛
Angel	463-474	257⅛-259⅞
1/10 Angel	47-52	25¾-28½
New Sov.	107½-100½	59-59¼
Old Sov.	107½-109	59-60
Noble Plat	636.55-647.6	346.9-353.1

Silver fix	p/fine oz	US cts equiv
Spot	366.90	670.85
3 months	374.30	683.95
6 months	382.00	697.40
12 months	401.00	728.30

LONDON METAL EXCHANGE TRADED OPTIONS

Aluminium (99.7%)	Calls		Puts	
Strike price $ tonne	July	Sept	July	Sept
2550	416	235	24	175
2750	264	150	70	285
2950	150		155	
Aluminium (99.5%)	**Calls**		**Puts**	
2550	404	222	38	208
2750	261	144	94	326
2950	155		188	
Copper (Grade A)	**Calls**		**Puts**	
2050	248	160	21	78
2150	171	112	45	126
2250	111	74	84	100

US MARKETS

THE PRECIOUS METALS opened sharply higher on good trade, commission house, and local buying, reports Drexel Burnham Lambert. The markets gave back some of their gains in mid-session as locals sold and as the trade took profits, fund selling was noted in gold, before renewed buying firmed prices late in the session. Copper was strong on a combination of commission house, arbitrage and fund buying and short-covering. The A.P.I. statistics were neutral but supportive to the energy complex which rallied on short-covering ahead of the re-scheduled O.P.E.C. meeting on June 11. Coffee finished mixed to lower with trade and producer selling, cocoa was dull, easing against a firmer dollar/sterling rate, while sugar was strong on reports of substantial swops by the Soviet Union which prompted trade buying. Commercial buying in the soyameal against sales of South America meal to the Soviet Union and Europe firmed the futures market. Soyabean oil weakened in early trading as traders sold on spreads against the meal, but late commercial buying provided some support.

New York

GOLD 100 troy oz.; $/troy oz.

	Close	Previous	High/Low	
Jun	457.6	456.0	459.0	455.6
Jul	458.9	457.3	0	0
Aug	462.4	459.8	463.3	460.3
Oct	467.3	464.8	468.4	465.8
Dec	472.3	469.0	473.5	470.5
Feb	477.5	475.3	479.5	476.0
Apr	482.5	480.8	0	0
Jun	488.3	486.5	485.8	485.8
Aug	494.1	492.5	0	0

PLATINUM 50 troy oz; $/troy oz.

	Close	Previous	High/Low	
Jun	619.9	615.7	619.0	612.0
Jul	622.9	610.9	624.0	613.0
Oct	629.1	618.7	629.0	619.5
Jun	636.4	623.4	633.0	627.0
Apr	643.4	630.4	643.5	634.0
Jul	650.4	636.9	0	0

SILVER 5,000 troy oz; cents/troy oz.

	Close	Previous	High/Low	
Jun	681.9	660.0	679.0	677.0
Jul	686.5	665.0	688.0	677.0
Aug	691.1	669.5	0	0
Sep	695.8	674.1	698.0	695.5
Dec	710.6	688.9	712.0	702.0
Jan	715.5	693.6	703.0	703.0
Mar	725.7	704.2	725.0	718.0
May	736.3	714.8	0	0
Jul	747.3	726.0	0	0
Sep	758.4	737.1	0	0

COPPER 25,000 lbs; cents/lbs

	Close	Previous	High/Low	
Jun	98.55	94.40	98.75	96.00
Jul	93.55	91.30	93.80	92.55
Aug	91.15	89.20	0	0
Sep	88.80	87.15	89.30	88.20
Dec	58.50	84.06	86.00	85.00
Jan	84.70	83.15	0	0
Mar	82.90	81.45	83.20	82.35
May	81.70	80.25	82.20	82.20
Jul	80.70	79.25	00.00	80.00
Sep	80.10	78.65	0	0

CRUDE OIL (Light) 42,000 US galls $/barrel

	Latest	Previous	High/Low	
Jul	17.67	17.51	17.70	17.60
Aug	17.80	17.71	17.85	17.76
Sep	17.88	17.81	17.95	17.84
Oct	17.80	17.86	17.89	17.86
Nov	17.92	17.89	17.93	17.89
Dec	17.93	17.91	18.00	17.89
Jan	17.93	17.88	17.98	17.93
Feb	17.88	17.85	17.95	17.84
Mar	17.86	17.82	17.90	17.87
Apr	17.81	17.79	17.81	17.81

HEATING OIL 42,000 US galls, cents/US galls

	Latest	Previous	High/Low	
Jul	47.35	47.18	47.70	47.15
Aug	47.70	47.45	47.80	47.55
Sep	48.30	48.00	49.45	48.15
Oct	49.10	48.76	49.15	48.90
Nov	49.80	49.46	49.80	49.65
Dec	50.50	50.15	50.50	50.30
Jun	50.75	50.41	50.85	50.75
Feb	50.60	50.26	50.60	50.50
Mar	48.60	48.51	48.20	48.00

COCOA 10 tonnes;$/tonnes

	Close	Previous	High/Low	
Jul	1611	1619	1620	1607
Sep	1628	1638	1639	1622
Dec	1655	1666	1667	1652
Mar	1686	1695	1699	1686
May	1720	1730	1722	1718

COFFEE "C" 37,500lbs; cents/lbs

	Close	Previous	High/Low	
Jul	133.47	133.77	134.75	132.50
Sep	134.40	134.92	135.75	133.80
Dec	136.13	136.28	137.20	136.00
Mar	136.65	136.69	137.45	136.25
May	136.89	136.00	137.25	136.00
Jul	137.75	137.75	136.00	136.00
Sep	136.98	139.00	137.75	137.75

SUGAR WORLD "11" 112,000 lbs; cents/lbs

	Close	Previous	High/Low	
Jul	9.96	9.47	9.98	9.66
Oct	9.91	9.45	9.92	9.65
Jan	9.80	9.39	9.80	9.80
Mar	9.80	9.36	9.86	9.58
May	9.75	9.35	9.80	9.56
Jul	9.80	9.38	9.80	9.65
Oct	9.90	9.56	9.90	9.90

COTTON 50,000; cents/lbs

	Close	Previous	High/Low	
Jul	66.18	66.95	67.20	65.06
Oct	61.70	62.62	62.75	61.90
Dec	60.14	61.18	61.35	60.05
Mar	60.70	61.83	61.50	60.50
May	60.75	61.75	0	0

ORANGE JUICE 15,000 lbs; cents/lbs

	Close	Previous	High/Low	
Jul	168.65	167.60	169.75	167.25
Sep	164.10	163.05	164.20	162.85
Nov	157.25	156.45	157.25	156.50
Jan	152.75	152.00	152.75	152.25
Mar	152.05	151.55	152.00	151.80
May	151.70	151.40	0	0
Jul	151.70	151.40	0	0
Sep	151.70	151.40	0	0

INDICES

REUTERS (Base: September 18 1931 = 100)

May 31	May 00	mnth ago	yr ago
1859.2	-	1751.0	1625.4

DOW JONES (Base: December 31 1974 = 100)

Spot	133.73	132.96	128.16	128.43
Futures	136.54	134.11	132.00	128.11

Chicago

SOYABEANS 5,000 bu min; cents/60lb bushel

	Close	Previous	High/Low	
Jul	801/6	798/0	805/4	790/4
Aug	806/4	803/6	810/0	795/4
Sep	809/0	807/6	814/0	797/0
Nov	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
Mar	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
Jul	[illegible]	[illegible]	[illegible]	[illegible]
Nov	[illegible]	[illegible]	[illegible]	[illegible]

SOYABEAN OIL 60,000 lbs; cents/lb

	Close	Previous	High/Low	
Jul	[illegible]	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]	[illegible]
Sep	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Jan	26.00	26.46	26.35	25.65
Mar	26.17	26.67	26.55	26.07
May	26.65	27.10	26.75	26.50
Jul	26.70	27.15	26.85	26.70
Aug	26.75	27.10	26.70	25.60

SOYABEAN MEAL 100 tons; $/ton

	Close	Previous	High/Low	
Jul	245.7	241.2	247.0	242.0
Aug	242.7	239.7	244.7	240.0
Sep	242.2	239.2	244.0	238.5
Oct	242.7	239.2	244.0	238.5
Dec	241.8	240.2	243.5	239.0
Jan	240.5	240.0	243.0	239.0
Mar	239.0	240.5	243.0	239.0
May	239.0	241.7	244.0	239.0
Jul	238.5	241.0	238.0	239.0

MAIZE 5,000 bu min; cents/56lb bushel

	Close	Previous	High/Low	
Jul	220/6	224/2	224/0	218/6
Sep	230/0	233/2	232/6	226/0
Dec	242/6	245/4	246/0	240/0
Mar	250/6	254/0	253/0	248/0
May	255/6	258/4	257/4	253/0
Jul	257/4	260/0	260/0	255/0
Sep	253/4	256/4	0	0
Dec	247/0	251/6	251/4	246/4

WHEAT 5,000 bu min; cents/60lb-bushel

	Close	Previous	High/Low	
Jul	347/6	351/4	349/0	344/0
Sep	358/0	361/4	359/4	354/0
Dec	367/6	370/4	369/0	364/0
Mar	372/4	377/0	373/4	368/0
May	366/0	370/0	367/0	365/0
Jul	342/0	349/0	345/0	342/0

LIVE CATTLE 40,000 lbs; cents/lbs

	Close	Previous	High/Low	
Jun	72.20	72.15	72.50	71.72
Aug	67.60	67.82	68.05	67.15
Oct	67.22	67.30	67.52	66.75
Dec	68.40	68.32	68.60	67.92
Feb	68.45	68.37	68.75	68.20
Apr	69.65	69.80	70.00	69.50
Jun	69.80	69.80	69.95	69.50

LIVE HOGS 30,000 lb; cents/lbs

	Close	Previous	High/Low	
Jun	54.50	54.77	54.70	53.97
Jul	54.60	54.72	54.95	54.30
Aug	52.87	52.80	53.15	52.42
Oct	45.97	46.05	46.15	45.65
Dec	46.95	47.10	47.25	46.55
Feb	47.12	46.95	47.25	46.85
Apr	44.72	44.55	44.75	44.50
Jun	46.90	46.70	46.90	46.85

PORK BELLIES 38,000 lbs; cents/lb

	Close	Previous	High/Low	
Jul	57.60	56.32	57.70	56.27
Aug	56.35	55.57	56.60	55.45
Feb	65.40	63.80	65.80	63.15

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Pound retreats against D-Mark

STERLING AND the dollar weakened against a recovering D-Mark yesterday, but finished above their lowest levels of the day.

The pound's fall was arrested by a belief in the market that the Bank of England could use an easing of the recent upward pressure on the currency to push up interest rates.

Three-month sterling interbank was offered at 8 p.c. in London last night, discounting a rise of ½ p.c. in UK bank base rates.

The pound was hit particularly hard around mid-morning, when the market suddenly unwound long sterling positions against the D-Mark.

This pulled sterling through a technical resistance level of DM3.15, down to a low of around DM3.14, where the currency found support.

It bounced quickly to DM3.1450, before pushing up to around DM3.15 in the late afternoon, and closing at DM3.1475, compared with DM3.1775 on Tuesday.

The pound was nearly 1.75 cents lower against the dollar around mid-morning, but showed a slight recovery to finish 1.45 cents lower on the day at $1.8240.

It also fell to Y228.25 from Y230.00; to SFr2.6275 from SFr2.6550; and to FFr10.6250 from FFr10.7000.

According to the Bank of England, the pound's exchange rate index fell 0.6 to 77.3.

There was no news to account for sterling's fall, but dealers were said to be disappointed by the currency's recent performance, and its failure to breach DM3.20 at the beginning of the week.

This disappointment tended to turn the market's attention towards economic fundamentals.

Recent statistics have pointed towards a rising UK balance of payments deficit, and increasing inflationary pressure.

The current account deficit for the first four months of the year was £2.4bn, against a Treasury forecast of £4bn for the whole year. Forecasts in the City for the 1988 deficit range up to about £8bn.

Year-on-year inflation in April rose to 3.9 p.c. from 3.5 p.c., and according to Morgan Grenfell, is likely to have touched 4.0 p.c. in May.

Lending by banks and building societies was a record £8.2bn in April, and narrowly defined M0 money supply rose above its target range.

As sterling's upward surge faltered the implications of the underlying economic position led to a scramble to sell the currency, particularly against short D-Mark positions.

Rumours of recent intervention by the Bundesbank to support the D-Mark have also led to suggestions that the West German central bank does not wish to see its currency fall any further.

Dealers noted that the Bundesbank added a surprisingly large amount of liquidity to the domestic banking system yesterday, via a securities repurchase agreement tender.

If the German authorities decide to buy D-Marks on the foreign exchanges this will have a side effect of draining money from the domestic market. Yesterday's injection of money could be intended to prevent credit conditions becoming uncomfortably tight in these circumstances.

West German gross national product rose 1.5 p.c. in the first quarter of 1988, compared with 0.5 p.c. in the fourth quarter of last year, according to figures released yesterday.

This helped underpin the D-Mark, while several US economic statistics had little or no impact on the dollar.

The dollar fell to DM1.7250 from DM1.7290, and showed mixed changes against other major correncies. It rose to Y125.20 from Y125.10 and to FFr5.8250 from FFr5.8200, but eased to SFr1.4405 from SFr1.4435.

On Bank of England figures the dollar's index rose to 93.8 from 93.7.

£ IN NEW YORK

June 1	Latest	Previous Close
£ Spot	1.8220-1.8230	1.8350-1.8355
1 month	par-0.01dis	0.02-0.05dis
3 months	0.10-0.07pm	0.03-0.07dis
12 months	0.98-0.88pm	0.50-0.40pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

		June 1	Previous
8.30	am	77.7	78.0
9.00	am	77.6	78.0
10.00	am	77.4	78.0
11.00	am	77.4	78.1
Noon		77.3	78.1
1.00	pm	77.2	78.1
2.00	pm	77.3	78.0
3.00	pm	77.2	77.9
4.00	pm	77.3	77.9

CURRENCY RATES

June 1	Bank rate %	Special* Drawing Rights	European Currency Unit
Sterling	-	0.739825	0.660299
U.S Dollar	6	1.36483	1.20738
Canadian $	8.75	1.68379	1.48942
Austrian Sch.	3	16.5665	14.6262
Belgian Franc	6½	49.2088	43.4535
Danish Krone	7	8.95874	7.92342
Deutsche Mark	2½	2.35666	2.07935
Neth. Guilder	3½	2.63822	2.33012
French Franc	9½	7.91874	7.02453
Italian Lira	12½	1746.91	1546.89
Japanese Yen	2½	170.945	151.043
Norway Krone	8	8.52946	7.50966
Spanish Peseta	-	155.645	137.588
Swedish Krona	8½	8.15554	7.24367
Swiss Franc	2½	1.96604	1.73319
Greek Drach.	20½	187.588	165.870
Irish Punt	-	0.878608	0.777399

*All SDR rates are for May 31

CURRENCY MOVEMENTS

June 1	Bank of England Index	Morgan Guaranty Changes %
Sterling	77.3	-14.8
U.S Dollar	93.8	-13.3
Canadian Dollar	81.7	-5.1
Austrian Schilling	137.3	+10.1
Belgian Franc	99.4	-5.6
Danish Krone	91.9	+1.4
Deutsche Mark	146.8	+21.4
Swiss Franc	171.5	+21.3
Guilder	136.0	+14.6
French Franc	70.7	-13.8
Lira	45.8	-20.5
Yen	247.3	+84.2

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (Base Average 1975=100)**Rates are for May 31

OTHER CURRENCIES

June 1	£	$
Argentina	13.2800-13.3790	7.2800-7.3300
Australia	2.2565-2.2595	1.2340-1.2350
Brazil	295.30-296.95	161.90-162.70
Finland	7.4455-7.4635	4.0810-4.0830
Greece	249.95-254.30	136.20-138.55
Hong Kong	14.2573-14.2750	7.8130-7.8150
Iran	125.20*	66.65*
Korea(Sth)	1339.20-1351.30	729.70-736.30
Kuwait	0.50315-0.50335	0.27570-0.27580
Luxembourg	65.80-65.90	36.05-36.15
Malaysia	4.7140-4.7260	2.5830-2.5880
Mexico	4166.45-4187.00	2284.00-2294.00
N. Zealand	2.6130-2.6180	1.4300-1.4325
Saudi Ar.	6.8445-6.8455	3.7505-3.7510
Singapore	3.6856-3.6915	2.0190-2.0210
S. Af (Cm)	4.0965-4.1135	2.2470-2.2485
S. Af (Fn)	5.3675-5.4475	2.9410-2.9850
Taiwan	52.45-52.70	28.55-28.65
U.A.E.	6.7025-6.7040	3.6725-3.6735

*Selling rate

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu June 1	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	42.4582	43.4535	+2.34	+1.00	±1.5344
Danish Krone	7.85212	7.92342	+0.91	-0.43	±1.5404
German D-Mark	2.05853	2.07935	+1.01	-0.33	±1.0961
French Franc	6.90403	7.02453	+1.75	+0.41	±1.3674
Dutch Guilder	2.31943	2.33012	+0.46	-0.88	±1.5012
Irish Punt	0.768411	0.777399	+1.17	-0.17	±1.6684
Italian Lira	1483.58	1546.89	+4.27	+3.45	±4.0752

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

POUND SPOT- FORWARD AGAINST THE POUND

June 1	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.8210-1.8290	1.8235-1.8245	0.01dis-0.03cpm	0.07	0.14-0.09pm	0.25
Canada	2.2455-2.2640	2.2465-2.2475	0.26-0.37cdis	-1.68	0.64-0.77dis	-1.26
Netherlands	3.52¼-3.55	3.52¾-3.53¾	1¼-¾cpm	3.83	3¾-3pm	5.46
Belgium	65.55-66.20	65.80-65.90	17-1cpm	1.64	38-16pm	1.64
Denmark	11.96¼-12.04¾	11.99¼-12.00¼	¾-2¼oredis	-1.31	1½-3¼dis	-0.81
Ireland	1.1735-1.1845	1.1770-1.1780	0.01-0.06pdis	-0.36	0.14-0.24dis	-0.65
W. Germany	3.14-3.16½	3.14½-3.15	1¼-¾pfpm	4.29	3¾-3pm	4.21
Portugal	255.40-257.90	255.95-256.95	60-100cdis	-3.60	224-331dis	-4.17
Spain	207.80-209.25	208.00-208.30	32-53cdis	-2.45	102-128dis	-2.21
Italy	2337½-2361	2340¼-2341¼	2-7liredis	-2.31	10-18dis	-2.39
Norway	11.43-11.48	11.43¾-11.44¾	4¾-6¼oredis	-5.77	14¾-16¼dis	-5.40
France	10.62-10.66	10.62-10.63	¾pm-¼cdis	0.21	1¼-¾pm	0.31
Sweden	10.94-10.98¾	10.94¾-10.95¾	1¾-3¼oredis	2.67	5¾-7dis	-2.26
Japan	227¾-229¾	227¾-228¾	1-½ypm	3.94	2½-1¾pm	3.83
Austria	22.08-22.32	22.12-22.15	7½-6¼gropm	3.73	22½-19¼pm	3.82
Switzerland	2.62-2.64	2.62¾-2.63¾	1¼-⅞cpm	5.14	3¾-3½pm	5.14

Belgian rate is convertible francs. Financial franc 66.05-66.15. Six-month forward dollar 0.49-0.44cpm 12 months 1.22-1.12cpm

DOLLAR SPOT- FORWARD AGAINST THE DOLLAR

June 1	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.8210-1.8290	1.8235-1.8245	0.01dis-0.03cpm	0.07	0.14-0.09pm	0.25
Ireland†	1.5475-1.5555	1.5500-1.5610	0.03-0.09cdis	-0.46	0.20-0.30dis	-0.64
Canada	1.2305-1.2345	1.2315-1.2325	0.15-0.18cdis	-1.60	0.45-0.48dis	-1.51
Netherlands	1.9255-1.9410	1.9335-1.9345	0.61-0.59cpm	3.73	1.78-1.74pm	3.65
Belgium	35.90-36.15	36.05-36.15	6-4cpm	1.67	16-11pm	1.50
Denmark	6.54½-6.58½	6.57½-6.58	0.40-1.00oredis	-1.28	1.25-1.85dis	-0.95
W. Germany	1.7175-1.7325	1.7245-1.7255	0.61-0.58pfpm	4.15	1.78-1.73pm	4.08
Portugal	140-141	140¼-141	35-50cdis	-3.63	130-180dis	-4.41
Spain	113.55-114.25	114.15-114.25	18-28cdis	-2.42	58-68dis	-1.69
Italy	1277½-1285	1283-1283½	2.00-3.00liredis	-2.34	7.00-9.00dis	-2.50
Norway	6.24½-6.28	6.26¾-6.27¾	2.80-3.15oredis	-5.69	8.35-8.80dis	-5.47
France	5.79¼-5.83½	5.82¼-5.82¾	0.10dis-0.10cpm	-	0.05dis-0.25pm	0.06
Sweden	5.97½-6.00½	6.00-6.00½	1.20-1.50oredis	-2.70	3.35-3.75dis	-2.37
Japan	124.90-125.30	125.15-125.25	0.41-0.38ypm	3.79	1.18-1.13pm	3.69
Austria	12.08¼-12.17	12.13¼-12.13¾	4.00-3.70gropm	3.82	11.75-10.75pm	3.72
Switzerland	1.4310-1.4445	1.4400-1.4410	0.62-0.57cpm	4.97	1.83-1.78pm	5.03

† UK and Ireland are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 36.20-36.30.

EURO-CURRENCY INTEREST RATES

June 1	Short term	7 Days notice	One Month	Three Months	Six Months	One Year
Sterling	7⅛-6⅞	7¼-7	7⅝-7½	8⅛-8	8⅝-8½	9 3/16-9 1/16
US Dollar	7½-7⅜	7⅜-7¼	7 7/16-7 5/16	7 13/16-7 11/16	7⅞-7¾	8⅛-8
Can. Dollar	8⅞-8⅝	8⅞-8⅝	9-8¾	9 1/16-8 15/16	9⅜-9¼	9⅝-9½
D. Guilder	3⅝-3⅜	3⅝-3⅜	3 13/16-3 11/16	4⅛-4	4⅜-4¼	4 11/16-4 9/16
Sw. Franc	2⅝-2⅜	2⅝-2⅜	2⅝-2½	2 15/16-2 13/16	3-2⅞	3¼-3
Deutschmark	3⅜-3⅛	3⅜-3⅛	3½-3⅜	3⅝-3½	3⅞-3¾	4⅜-4¼
Fr. Franc	7½-7⅛	7⅜-7¼	7 9/16-7 7/16	7 13/16-7 11/16	7⅞-7¾	8⅜-8¼
Italian Lira	10-8	10½-9½	10¼-9¾	10½-10	10⅝-10⅛	11½-11
B. Fr. (Fin)	6⅛-5 13/16	6¼-6	6¼-6	6⅜-6⅛	6⅝-6⅜	6 13/16-6 9/16
B. Fr. (Con)	6⅛-5⅞	6⅛-5⅞	6⅛-5⅞	6¼-6	6½-6¼	6 13/16-6 9/16
Yen	3⅝-3½	3 11/16-3 9/16	4⅛-4	4⅜-4¼	4⅝-4½	4⅞-4¾
D. Krone	8½-8⅛	8⅜-8⅛	8⅜-8⅛	8⅝-8⅜	9¼-9	9⅞-9½
Asian $Sing	7⅜-7¼	7 5/16-7 3/16	7 5/16-7 3/16	7 13/16-7 11/16	8-7⅞	8½-8⅜

Long term Eurodollars: two years 9-8¾ per cent; three years 9⅜-9⅛ per cent; four years 9½-9¼ per cent; five years 9¾-9½ per cent nominal. Short term rates are call for US Dollars and Japanese Yen; others, two days' notice.

EXCHANGE CROSS RATES

June 1	£	$	DM	Yen	F Fr.	S Fr.	H Fl.	Lira	C $	B Fr.
£	1	1.824	3.148	228.3	10.63	2.628	3.528	2341	2.247	65.85
$	0.548	1	1.726	125.2	5.828	1.441	1.934	1283	1.232	36.10
DM	0.318	0.579	1	72.52	3.377	0.835	1.121	743.6	0.714	20.92
YEN	4.380	7.989	13.79	1000.	46.56	11.51	15.45	10254	9.842	288.4
F Fr.	0.941	1.716	2.961	214.8	10.	2.472	3.319	2202	2.114	61.95
S Fr.	0.381	0.694	1.198	86.87	4.045	1	1.342	890.8	0.855	25.06
H Fl.	0.283	0.517	0.892	64.71	3.013	0.745	1	663.5	0.637	18.66
Lira	0.427	0.779	1.345	97.52	4.541	1.123	1.507	1000.	0.960	28.13
C $	0.445	0.812	1.401	101.6	4.731	1.170	1.570	1042	1	29.31
B Fr.	1.519	2.770	4.781	346.7	16.14	3.991	5.358	3555	3.412	100.

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100.

FINANCIAL FUTURES

Prices fall on weak sterling

A SHARP decline by sterling against the dollar and D-Mark, and a surge in cash rates, brought strong downward pressure to bear on three-month sterling deposits in the Liffe market yesterday.

Sterling's fall led to increased concern that UK anthorities would push interest rates firmer. The Bank of England had - on previous occasions - made clear its dislike of a high sterling/low interest rate combination, and yesterday's decline in the pound was seen as presenting the first opportunity to push rates higher.

However some analysts were more cautious, stressing that sterling's depreciation yesterday against the D-Mark was around 1 p.c., while its appreciation - since the Treasury abandoned the DM3.00 level - was still about 5 p.c.

Trading volume in three-month sterling deposits rose to a record high of around 34,000. The September contract - which now attracts a bulk of the volume - slipped to 90.79 at the close, down from 91.17 on Tuesday, although this was up from the day's low of 90.73.

Long gilt prices were underpinned to some extent by a stronger US bond price and spread trading into the September contract, and finished the day slightly firmer.

Encouraging economic data and no rise in the US discount rate, enabled US bond futures to stage a strong recovery. US leading economic indicators for April rose an expected 0.2 p.c., but the March figure was revised down sharply to a rise of just 0.2 p.c. from 0.8 p.c.

LIFFE LONG GILT FUTURES OPTIONS

Strike Price	Calls-settlements Sep	Calls-settlements Dec	Puts-settlements Sep	Puts-settlements Dec
90	558	617	6	19
92	403	439	15	41
94	225	313	37	115
96	111	162	123	200
98	29	110	241	312
100	10	39	422	441
102	4	19	616	621

Estimated volume total, Calls 1645 Puts 2055
Previous day's open int. Calls 14772 Puts 20428

LIFFE US TREASURY BOND FUTURES OPTIONS

Strike Price	Calls-settlements Sep	Calls-settlements Dec	Puts-settlements Sep	Puts-settlements Dec
80	621	555	17	61
82	438	429	34	135
84	307	317	108	223
86	152	220	148	326
88	100	137	260	443
90	34	102	430	608
92	16	—	612	—

Estimated volume total, Calls 92 Puts 205
Previous day's open int. Calls 401 Puts 139

LIFFE FT-SE INDEX FUTURES OPTIONS

Strike Price	Calls-settlements Jun	Calls-settlements JUL	Puts-settlements Jun	Puts-settlements JUL
16500	1603	1765	8	50
17000	1133	1332	38	117
17500	717	952	122	237
18000	394	639	299	424
18500	183	402	588	687
19000	71	235	976	1020
19500	23	128	1428	1413

Estimated volume total, Calls 2 Puts 0
Previous day's open int. Calls 28 Puts 78

LIFFE £/$ OPTIONS
£25,000 (cents per £1)

Strike Price	Calls-settlements Jun	Calls-settlements JUL	Puts-settlements Jun	Puts-settlements JUL
165	1761	—	0	—
170	1261	1260	0	1
175	761	771	0	17
180	278	362	17	108
185	21	113	260	359
190	0	21	740	767
195	0	2	1240	1248

Estimated volume total, Calls 100 Puts 0
Previous day's open int. Calls 911 Puts 244

LIFFE EURODOLLAR OPTIONS
$1m points of 100%

Strike Price	Calls-settlements Jun	Calls-settlements Sep	Puts-settlements Jun	Puts-settlements Sep
9125	102	64	0	11
9150	77	45	0	17
9175	53	29	1	26
9200	29	17	2	39
9225	6	10	4	57
9250	1	5	24	77
9275	1	2	49	99

Estimated volume total, Calls 67 Puts 71
Previous day's open int. Calls 4250 Puts 3532

LIFFE SHORT STERLING

Strike Price	Calls-settlements Jun	Calls-settlements Sep	Puts-settlements Jun	Puts-settlements Sep
9050	123	53	0	24
9075	98	38	0	34
9100	73	26	0	47
9125	50	16	2	62
9150	28	10	5	81
9175	11	6	13	102
9200	3	3	30	124

Estimated volume total, Calls 2174 Puts 1512
Previous day's open int. Calls 12922 Puts 9793

PHILADELPHIA SE £/$ OPTIONS
£12,500 (cents per £1)

Strike Price	Calls Jun	Calls Jul	Calls Aug	Calls Sep	Puts Jun	Puts Jul	Puts Aug	Puts Sep
1.800	2.87	13.70	-	5.09	0.20	0.45	-	2.75
1.825	1.06	2.18	2.89	3.67	0.80	1.84	2.65	3.48
1.850	0.10	1.16	1.84	2.50	2.50	3.25	4.20	5.00
1.875	-	0.49	1.05	1.78	4.75	5.50	5.60	6.42
1.900	-	0.14	0.53	1.19	6.95	7.15	7.56	8.23
1.925	-	0.02	0.33	0.78	9.45	9.49	9.72	10.23
1.950	-	0.04	0.16	0.52	11.98	11.95	12.04	12.39

Previous day's open int: Calls N/A Puts N/A
Previous day's volume: Calls N/A Puts N/A

LONDON SE £/$ OPTIONS
£12,500 (cents per £1)

Strike Price	Calls-settlements Jun	Calls-settlements Jul	Calls-settlements Aug	Calls-settlements Sep	Puts-settlements Jun	Puts-settlements Jul	Puts-settlements Aug	Puts-settlements Sep
1.65	18.65	-	-	19.05	1.30	-	-	1.80
1.70	15.70	-	-	16.40	0.55	-	-	1.50
1.75	7.90	0.05	8.30	8.85	0.30	0.60	0.80	1.30
1.80	2.95	4.00	4.55	5.40	0.35	1.30	1.95	2.75
1.85	0.35	1.45	2.10	3.00	2.60	3.65	4.35	5.20
1.90	0.30	0.55	0.95	1.50	7.50	7.65	0.05	8.60
1.95	0.30	0.30	0.40	0.90	12.50	13.20	13.50	14.10

Estimated volume total, Calls N/A Puts N/A
Previous day's open int: Calls 610 Puts 650

LONDON (LIFFE)

20-YEAR NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev.
Jun	120-07	120-11	119-24	120-06
Sep	95-26	95-26	95-07	95-21

Estimated Volume 26802(15942)
Previous day's open int. 37061(35613)

7-10 YEAR 9% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev.
Jun	96-10	96-16	96-07	96-19
Sep	95-19			96-00

Estimated Volume 135(60)
Previous day's open int. 2533(2473)

6% NOTIONAL LONG TERM JAPANESE GOVT.* BOND Y100m 100ths of 100%

	Close	High	Low	Prev.
Jun	107.80	107.13	106.90	106.89
Sep	105.37	105.40	105.25	105.03

Estimated Volume 420(686)
Previous day's open int. 939(946)

THREE MONTH STERLING
£500,000 points of 100%

	Close	High	Low	Prev.
Jun	91.73	92.02	91.68	92.03
Sep	90.79	91.10	90.73	91.17
Dec	90.38	90.63	90.31	90.69
Mar	90.28	90.40	90.15	90.42

Est. Vol. (inc. figs. not shown) 33925(8125)
Previous day's open int. 34811(35943)

FT-SE 100 INDEX
£25 per full index point

	Close	High	Low	Prev.
Jun	180.95	181.50	179.40	177.45
Sep	182.15	182.40	180.60	178.60
Dec				

Estimated Volume 2820(3817)
Previous day's open int. 11807(11828)

THREE MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev.
Jun	92.27	92.27	92.22	92.22
Sep	91.78	91.78	91.72	91.72
Dec	91.46	91.47	91.42	91.41
Mar	91.27	91.28	91.24	91.14

Est. Vol. (inc. figs. not shown) 8123(5777)
Previous day's open int. 40469(39831)

US TREASURY BONDS 8%
$100,000 32nds of 100%

	Close	High	Low	Prev.
Jun	86-30	86-31	86-12	85-19
Sep	86-02	86-02	85-14	84-23
Dec	85-09	-	-	83-10

Estimated Volume 11487(7280)
Previous day's open int. 4228(3363)

CURRENCY FUTURES

LIFFE-STERLING £25,000 $ per £

	Close	High	Low	Prev.
Jun	1.8261	1.8277	1.8273	1.8403
Sep	1.8242	1.8250	1.8250	1.8402
Dec	1.8205			1.8383

Estimated Volume 147(1)
Previous day's open int. 101(100)

POUND-$ (FOREIGN EXCHANGE)

Spot	1-mth.	3-mth.	6-mth.	12-mth.
1.8240	1.8239	1.8229	1.8194	1.8123

IMM-STERLING $s per £

	Latest	High	Low	Prev.
Jun	1.8245	1.8305	1.8240	1.8355
Sep	1.8224	1.8286	1.8220	1.8348
Dec	1.8230	1.8270	1.8210	1.8342

CHICAGO

U.S. TREASURY BONDS (CBT) 8%
$100,000 32nds of 100%

	Latest	High	Low	Prev.
Jun	86-19	86-25	86-05	85-26
Sep	85-23	85-29	85-10	84-29
Dec	84-26	84-31	84-15	84-01
Mar	84-00	84-05	83-23	83-07
Jun	83-08	83-08	83-08	82-15
Sep	-	-	-	81-25
Dec	82-00	82-00	82-00	81-05
Mar	81-00	81-00	81-00	80-18
Jun	-	-	-	80-00
Sep	-	-	-	79-15

U.S. TREASURY BILLS (IMM)
$1m points of 100%

	Latest	High	Low	Prev.
Jun	93.50	93.51	93.48	93.47
Sep	93.16	93.18	93.13	93.12
Dec	92.94	92.95	92.94	92.90
Mar	92.77	92.77	92.76	92.73
Jun	92.60	92.60	92.60	92.54
Sep	92.49	92.49	92.47	92.45
Dec	-	-	-	92.33

SWISS FRANC (IMM)
SFr 125,000 $ per SFr

	Latest	High	Low	Prev.
Jun	0.6960	0.6982	0.6958	0.6926
Sep	0.7050	0.7072	0.7049	0.7015
Dec	0.7138	0.7170	0.7138	0.7107
Mar	0.7240	0.7240	-	0.7200

JAPANESE YEN (IMM)
Y12.5m $ per Y100

	Latest	High	Low	Prev.
Jun	0.7998	0.8009	0.7998	0.7998
Sep	0.8076	0.8086	0.8075	0.8074
Dec	0.8155	0.8155	0.8152	0.8148
Mar	-	-	-	0.8222
Jun	-	-	-	0.8295

DEUTSCHE MARK (IMM)
DM125,000 $ per DM

	Latest	High	Low	Prev.
Jun	0.5799	0.5816	0.5798	0.5779
Sep	0.5861	0.5877	0.5861	0.5842
Dec	0.5927	0.5933	0.5925	0.5901
Mar	-	-	-	0.5960

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

	Latest	High	Low	Prev.
Jun	92.26	92.27	92.24	92.23
Sep	91.75	91.77	91.73	91.69
Dec	91.44	91.45	91.41	91.37
Mar	91.26	91.27	91.24	91.18
Jun	91.10	91.10	91.08	91.03
Sep	90.97	90.97	90.95	90.90
Dec	90.86	90.87	90.83	90.78
Mar	90.76	90.77	90.73	90.68

STANDARD & POORS 500 INDEX
$500 times index

	Latest	High	Low	Prev.
Jun	263.45	264.80	263.35	262.95
Sep	265.30	266.55	265.25	264.70
Dec	266.70	268.40	266.70	266.40
Mar	268.70	270.10	268.70	267.90

EUROPEAN OPTIONS EXCHANGE

Series		Aug. 88 Vol	Aug. 88 Last	Nov. 88 Vol	Nov. 88 Last	Feb. 89 Vol	Feb. 89 Last	Stock
GOLD C	$440	170	28	-	-	-	-	$457.90
GOLD C	$460	807	12.50 B	-	-	-	-	$457.90
GOLD C	$480	30	5	9	13.70	125	23.50	$457.90
GOLD C	$500	20	2.90	-	-	289	14	$457.90
GOLD P	$440	12	2.50	35	6	-	-	$457.90
GOLD P	$460	500	7.50	60	11.10	30	15.50	$457.90

Series		Jun. 88 Vol	Jun. 88 Last	Jul. 88 Vol	Jul. 88 Last	Aug. 88 Vol	Aug. 88 Last	Stock
EOE Index C	Fl. 200	179	9.90	68	11.60	2	14	Fl. 208.33
EOE Index C	Fl. 205	290	6.30	116	8.80	3	11.70	Fl. 208.33
EOE Index C	Fl. 210	352	3.40	216	6.50	71	8 A	Fl. 208.33
EOE Index C	Fl. 215	39	1.80	16	4.20	9	6	Fl. 208.33
EOE Index C	Fl. 220	118	1 A	20	2.90 A	-	-	Fl. 208.33
EOE Index P	Fl. 185	10	0.20 B	34	0.80	-	-	Fl. 208.33
EOE Index P	Fl. 190	72	0.60	19	1.60	9	3	Fl. 208.33
EOE Index P	Fl. 195	20	0.90	22	2.80	-	-	Fl. 208.33
EOE Index P	Fl. 200	95	1.60 A	53	3.40	5	6.50	Fl. 208.33
EOE Index P	Fl. 205	292	3	73	5.70 B	-	-	Fl. 208.33
EOE Index P	Fl. 210	64	5.50	22	8.50	4	10.50	Fl. 208.33
EOE Index P	Fl. 215	64	8.20	1	11.20	-	-	Fl. 208.33
S/FI C	Fl. 195	40	3.40	10	4	3	4.30	Fl. 193.42
S/FI C	Fl. 195	43	0.90	10	1.50	5	2	Fl. 193.42
S/FI P	Fl. 185	19	0.10	-	-	-	-	Fl. 193.42

Series		Jul. 88 Vol	Jul. 88 Last	Oct. 88 Vol	Oct. 88 Last	Jan. 89 Vol	Jan. 89 Last	Stock
ABN C	Fl. 40	742	0.90	431	1.70	46	2.30	Fl. 39.20
ABN P	Fl. 40	10	1.70	56	3.20	-	-	Fl. 39.20
AEGON C	Fl. 75	263	5	55	6.50 A	2	0.	Fl. 78.90
AEGON P	Fl. 75	118	1	8	2.60	-	-	Fl. 78.90
AHOLD C	Fl. 75	66	1.50	39	2.90	-	-	Fl. 72.50
AHOLD P	Fl. 70	23	1.60	10	2.70	-	-	Fl. 72.50
AKZO C	Fl. 110	1377	5.30	186	9 B	57	11.30	Fl. 112.30
AKZO P	Fl. 110	307	2.90	52	5.50	57	7.80 B	Fl. 112.30
AMEV C	Fl. 55	90	1	237	2	5	3.50	Fl. 51.30
AMEV P	Fl. 50	27	1.30	200	2.80	3	3.50	Fl. 51.30
AMRO C	Fl. 75	3	0.20	186	1	5	1.70	Fl. 66.70
AMRO P	Fl. 65	170	1.40	26	3.40	-	-	Fl. 66.70
BUHRMANN-T C	Fl. 50	41	0.50	50	1.50	17	2.50	Fl. 45.60
BUHRMANN-T P	Fl. 45	57	1.30	19	2.20	5	3.50	Fl. 45.60
ELSEVIER C	Fl. 55	1195	2.10	234	3.80	23	5	Fl. 55
ELSEVIER P	Fl. 50	371	0.70	37	1.70	1	2.20	Fl. 55
GIST-BROC. C	Fl. 27.50	-	-	100	6.50	-	-	Fl. 32.40
GIST-BROC. P	Fl. 30	492	0.50	16	1.60	-	-	Fl. 32.40
HEINEKEN C	Fl. 130	266	5.20	125	0.50	-	-	Fl. 131.80
HEINEKEN P	Fl. 120	75	1.20	35	3.20	-	-	Fl. 131.80
HOOGOVENS C	Fl. 40	298	2.20	49	4	25	5.20	Fl. 40.20
HOOGOVENS P	Fl. 35	54	0.70	40	1.70	-	-	Fl. 40.20
KLM C	Fl. 35	415	1.30	335	2.10	62	3.40	Fl. 34.20
KLM P	Fl. 30	-	-	202	1.30	2	2	Fl. 34.20
KNP C	Fl. 127.30	21	4.80	-	-	-	-	Fl. 129.70
KNP C	Fl. 140	22	1	51	3	8	7	Fl. 129.70
KNP P	Fl. 130	24	3.80	2	5.50 B	5	7.50	Fl. 129.70
NEDLLOYD C	Fl. 230	63	4	10	11.70	-	-	Fl. 219.50
NEDLLOYD P	Fl. 200	92	4.80	2	8.50	-	-	Fl. 219.50
NAT.NED. C	Fl. 65	17	0.50	342	1.30	25	2.30	Fl. 58.60
NAT.NED. P	Fl. 60	26	3	37	4.50	16	4.70	Fl. 58.60
PHILIPS C	Fl. 30	692	0.70	354	1.50	217	2.10	Fl. 28.80
PHILIPS P	Fl. 30	110	2	22	2.50	58	3.30	Fl. 28.80
ROYAL DUTCH C	Fl. 230	402	2.80 B	89	5.40	11	8.80	Fl. 223.70
ROYAL DUTCH P	Fl. 230	366	9.50	12	14	100	15.50	Fl. 223.70
UNILEVER C	Fl. 110	359	2.30 B	308	4.80	43	6.60	Fl. 105.50
UNILEVER P	Fl. 90	449	0.50	439	1	22	2.50	Fl. 105.50

TOTAL VOLUME IN CONTRACTS : 30,831

A=Ask B=Bid C=Call P=Put

BASE LENDING RATES

	%		%		%
ABN Bank	7½	Citibank NA	7½	Nat. Bk. of Kuwait	7½
Adam & Company	7½	City Merchants Bank	7½	NatWestminster	7½
AAB - Allied Arab Bk	7½	Clydesdale Bank	7½	Northern Bank Ltd	7½
Allied Irish Bank	7½	Comm. Bk. N. East	7½	Norwich Gen. Trust	7½
Henry Ansbacher	7½	Co-operative Bank	*7½	PK Finans. Int(UK)	8½
ANZ Banking Group	7½	Cyprus Popular Bk	7½	Provincial Bank PLC	8½
Associates Cap Corp	10	Dunbar Bank PLC	7½	R. Raphael & Sons	7½
Authority Bank	7½	Duncan Lawrie	7½	Roxburghe G'rantee	8½
B & C Merchant Bank	7½	Equatorial Bank plc	7½	Royal Bk of Scotland	7½
Banco de Bilbao	7½	Exeter Trust Ltd	8	Royal Trust Bank	7½
Bank Hapoalim	7½	Financial & Gen. Sec	8	Smith & Williman Secs.	7½
Bank Leumi (UK)	7½	First National Bank Plc	8½	Standard Chartered	7½
Bank Credit & Comm	7½	● Robert Fleming & Co.	7½	TSB	7½
Bank of Cyprus	7½	Robert Fraser & Ptnrs.	8½	UDT Mortgage Exp	‡9.4
Bank of Ireland	7½	Girobank	7½	United Bk of Kuwait	7½
Bank of India	7½	Grindlays Bank	7½	United Mizrahi Bank	7½
Bank of Scotland	7½	● Guinness Mahon	7½	Unity Trust Bank Plc	7½
Banque Belge Ltd	7½	HFC Bank PLC	7½	Western Trust	7½
Barclays Bank	7½	● Hambros Bank	7½	Westpac Bank Corp.	7½
Benchmark Bank PLC	7½	Heritable & Gen Inv Bk	7½	Whiteaway Laidlaw	8
Berliner Bank AG	7½	● Hill Samuel	§7½	Yorkshire Bank	7½
Brit Bk of Mid East	7½	C. Hoare & Co.	7½		
● Brown Shipley	7½	Hongkong & Shangh	7½		
Business Mtge Tst	8	Lloyds Bank	7½		
Cl. Bank Nederland	7½	Meghraj Bank Ltd	7½		
Central Capital	7½	Midland Bank	7½		
● Charterhouse Bank	7½	Mount Bnkg Corp.	7½		

● Members of British Merchant Banking & Securities Houses Association. * 7 day deposits 2.50% Savewise 5.26%. Top Tier-£2,500+ at 3 months' notice 7.50%. At call when £10,000+ remains deposited. ‡ Mortgage base rate. § Demand deposit 3.00%. Mortgage 9.125% - 9.5%

MONEY MARKETS

Rates up sharply

INTEREST RATES rose sharply in London yesterday as investor confidence in the pound drained away. Dealers started to consider the possibility of a rise in base rates, and there were a few tense moments after the Bank of England changed its liquidity forecast from flat to a shortage of £200m.

This could have provided an opportunity to push up dealing or lending rates, but the Bank provided more than sufficient help at established rates. A surplus of funds at the end saw overnight interbank money slip to 1 p.c., having started nearer 7¾ p.c.

UK clearing bank base lending rate 7½ per cent from May 18

Three-month interbank money moved up steadily to finish at 8-7⅞ p.c., a level not seen since just before the last cut in base rates in May. On Tuesday it was quoted at 7 11/16-7 9/16 p.c. One-year money rose to 9 3/16-9 1/16 p.c. from 8 13/16-8 11/16 p.c.

The Bank forecast a flat position to start with. Repayment of late assistance and bills maturing in official hands together with a take up of Treasury bills drained £573m and there was a rise in the note circulation of £15m. These were balanced by Exchequer transactions which added £295m and banks' balances brought forward £285m above target.

The forecast was revised to a shortage of around £200m, and the Bank gave assistance in the morning of £224m through outright purchases of £5m of eligible bank bills in band 1 and £5m in band 2, all at 7⅜ p.c. In band 3 it bought £24m of local authority bills and in band 4 £190m of eligible bank bills, again at 7⅜ p.c. There was no further assistance given during the afternoon.

In Frankfurt the Bundesbank made no change to credit policies or key lending rates at its central council meeting. Despite a recent rise in US interest rates, economists still saw little chance of West German rates following suit. A rise of 1.5 p.c. in 1st quarter GNP figures in 1988 - higher than expected - was not regarded as being inflationary, they added. The growth forecast set by the Economics Ministry for the whole of 1988 is 2 p.c.

However, while money supply continued to increase quite strongly, there was little feed through into consumer prices in the first three months of this year.

FT LONDON INTERBANK FIXING

(11.00 a.m. June 1) 3 months US dollars		6 months US Dollars	
bid 7⅝	offer 7¾	bid 7 15/16	offer 7 15/16

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque National de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

		Treasury Bills and Bonds			
Prime rate	9	One month	5.59	Three year	8.35
Broker loan rate	8¾	Two month	6.33	Four year	8.53
Fed. funds	7⅛-⅜	Three month	6.70	Five year	8.66
Fed. funds at intervention	-	Six month	7.13	Seven year	8.92
		One year	7.57	10-year	9.09
		Two year	8.18	30-year	9.18

June 1	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	3.25-3.35	3.30-3.40	3.35-3.50	3.50-3.65	3.70-3.85	4.50
Paris	7⅛-7¼	7¼-7⅜	7⅜-7½	7½-7⅝	7⅝-7¾	7.00
Zurich	1⅞-1⅞	2⅝-2¾	-	2⅞-2⅞	-	-
Amsterdam	3¾-4	3 15/16-4	-	4 1/16-4 3/16	-	-
Tokyo	3.21875	3.96875	-	-	-	-
Milan	9¼-10¼	10¼-10¾	-	10⅜-11⅛	-	-
Brussels	3.25	6-6¼	-	6⅜-6⅝	-	-
Dublin	0½-8⅝	7½-7⅝	7⅜-7½	7⅝-7¾	7⅝-7¾	-

LONDON MONEY RATES

June 1	Overnight	7 days notice	One Month	Three Months	Six Months	One Year
Interbank Offer	7¼	7⅞	7⅝	8	8⅝	9 3/16
Interbank Bid	1	6¾	7½	7⅞	8½	8⅞
Sterling CDs	-	-	7½	7⅞	8⅜	8⅞
Local Authority Deps	7	7	7¼	7⅞	8½	8¾
Local Authority Bonds	-	-	7½	7 15/16	8½	8¾
Discount Mkt Deps.	6¾	7	7¼	7¾	-	-
Company Deposits	7⅛	7⅛	7⅝	7⅞	8⅜	8⅞
Finance House Deposits	-	-	7 9/16	7 15/16	8 13/16	9 3/16
Treasury Bills (Buy)	-	-	7¼	7⅝	-	-
Bank Bills (Buy)	-	-	7½	7 13/16	8⅜	-
Fine Trade Bills (Buy)	-	-	8¼	8⅛	8 13/16	-
Dollar CDs	-	-	7.50-7.45	7.70-7.65	7.95-7.90	7.35-7.30
SDR Linked Dep Offer	-	-	5 11/16	6⅛	6⅜	6 11/16
SDR Linked Dep Bid	-	-	5 11/16	5⅞	6¼	6⅞
ECU Linked Dep Offer	-	-	6	6⅛	6⅜	6 11/16
ECU Linked Dep Bid	-	-	5⅞	5⅞	6¼	6 9/16

Treasury Bills (sell): one-month 7¼ per cent, three months 7¼ per cent; Bank Bills (sell): one-month 7⅜ per cent; three months 7½ per cent; Treasury Bills: Average tender rate of discount 7.1506 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day May 31, 1988. Agreed rates for period June 26, 1988 to July 25, 1988, Scheme I: 9.37 p.c. Schemes II & III: 9.39 p.c. Reference rate for period April 30, 1988 to May 31, 1988, Scheme IV & V: 8.114 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 8½ p.c. from June 1, 1988: Bank Deposit Rates for sums at seven days notice 1 per cent. Certificates of Tax Deposit (Series 6): Deposit £100,000 and over held under one month 7½ per cent; one-three months 8¼ per cent; three-six months 8¼ per cent; six-nine months 8¼ per cent, nine-twelve months 8½ per cent. Under £100,000 6 per cent from May 17, 1988. Deposits withdrawn for cash 5.00 per cent.

FT UNIT TRUST INFORMATION SERVICE

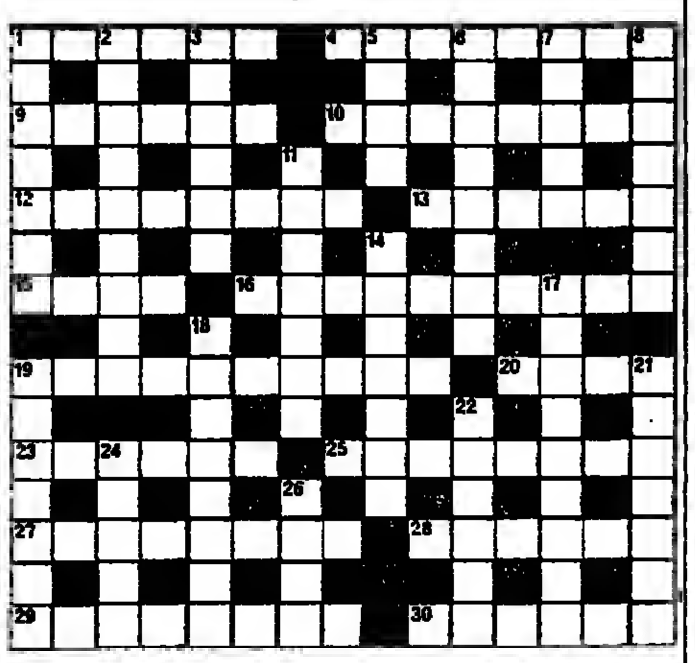
AUTHORISED UNIT TRUSTS

	Bid Price	Offer Price	+ or -	Yield Gross
Abbey Unit Tst Mngrs				
80 Holdenhurst Rd, Bournemouth				0345 717373
High Income				
American Income	41 0	43 6	+0 0	6 28
Gilts & Fixed Int.	111 1	119 1xd	-0.3	0 40
High Inc Equity	116 6	124 0	+1 0	4 50
Worldwide Bond	184.4	196 1xd	+1.3	4 95
Capital Growth				
American Growth	140 5	149 4	-5 0	1 64
Asian Pacific	64 2	68.2	+0 0	1 04
Assets & Earnings	135.1	143 7xd	+0.9	1 94
Capital Reserve	78 7	78 9	-0 2	3 00
Commodity & Energy	94 9	100 5	-1 9	0 60
European Capital	68 1	72 4	+1 6	1 04
General	162 1	172 4	-1 6	2 61
Japan	95 7	101 8	+1 0	0 00
Mastertrust	71.2	75 7	+1 0	2 43
UK Growth Acc.	184 5	196 2	+0 3	1 41
UK Growth Dist.	125.5	133 5	+0 2	2 07
US Emerging Cos.	39 0	42 3	-0 7	0 00
Income & Growth	249 2	265 1xd	-2 2	3 58
Ethical Growth	41 4	44 0	+0 4	2 84

Abtrust Management Ltd
10 Queens Terrace, Aberdeen AB9 1QJ 0224 633070
20 Chiswell St, London EC1Y 4TY 01-374 6801

JOTTER PAD

FT CROSSWORD No.6,645
SET BY DANTE



ACROSS
1 Net effect of a severe beating (6)
4 Leave some food and water (8)
9 It may be pointed out in the desert (6)
10 It's set to go off later (4,4)
12 An efficient killer in brave hands (8)
13 It can give one a breath of sweetness (6)
15 Staunch support (4)
16 See 8 down
19 One who follows another about in training (10)
20 Dust one may well find on the bathroom shelf (4)
23 Prompt delivery (6)
25 Try repeatedly to get a sign of approval (4,4)
27 She hurried round to a furniture designer (8)
28 Pick a hundred socks with a hole in (6)
29 Despair a worry? Not here, surely (8)
30 Remove the sediment from port (6)

DOWN
1 Finds nothing in a ruined castle (7)
2 Though often framed, they proverbially remain cool (9)
3 Go and hunt for duck (6)
5 A team's pivot (4)
6 Refinement, for example, in an eastern weapon (8)
7 He tangles with cop – that will mean time (5)
8 and 16 across Famous classical works (7,2,6)
11 Double, double, double (7)
14 Slow progress of Cockney courtship! (7)
17 Not free to rent cargo space on board (9)
18 Cut up solidified fish (8)
19 Cuts the cackle and uses the tea cloth (5,2)
21 Slow train that follows one that is late (7)
22 A king badly hurt in legend (6)
24 Gloomy number get behind (5)
26 An outstanding leader of men (4)

Solution to Puzzle No.6,644

GOODWILL LUMBER
OUTLYING SPARKS
STIMULUS ARGENT
ASPERSUAL
OFFLICENCE
TELLER ASSESSOR
EMETIC PILCHARD
SETTER REPEATED

FT UNIT TRUST INFORMATION SERVICE

Wardley Unit Trust Managers Ltd
99, Bishopsgate, London, EC2P 2LA — 01-374 0861

American	50.2	53.6xd	+1.9	1.5
Intl Growth	63.4	67.8xd	+1.2	0.4
Income	114.0	122.0	+0.9	5.4
Japan Growth	184.1	196.9	+2.6	0.1
Pacific Perf.	118.5	126.8	+2.1	0.4
Small Co's	141.7	151.6	-0.0	1.5
Technology	32.5	34.7xd	-0.7	0.1
Australia	54.2	57.9	+0.3	1.2
UK Trust	156.6	166.4xd	+1.7	2.8
European Growth	42.4	45.3	-0.8	0.1
Hong Kong	26.1	28.0	+0.4	1.3
Intl Income	20.1	21.5	+0.3	8.9
S'pore & M'sian Gth	19.7	21.0xd	+0.3	1.0
British Winners	24.9	26.7	-0.1	4.0

Waverley Unit Trust Management Ltd
13 Charlotte Sq, Edinburgh — 031-225 1551

Australasian Gold	20.2	21.4	----	0.00
Pacific Basin	22.8	24.2	----	0.1
Can Balanced Gwth	42.5	45.2	----	0.1
Glenlie Man	96.1	102.1	----	8.6
Penny Share	26.7	28.4	----	0.5

Wellington Fund Mngrs Ltd
2 London Bridge, SE1 — 01-407 4404

Wellington Income	106.7	113.6	----	4.79
Wellington Growth	165.4	176.0	----	1.37

Wessex Asset Management
1 Richmond Hill, Bournemouth BH2 6HW — 0202 299432

Wessex UK Gwth	94.1	98.11	-0.91	—

Whittingdale Unit Trust Management Ltd
2 Honey Lane, London EC2V 8BT — 01-606 5132

Challenger	53.9	54.6	+0.1	—
Short Dtd Gilt	77.5	78.5	—	—
U.S. Govmnt Bond	50.529	0.530	—	—

Whitbre Financial Services Limited
PO Box 515 Austin Friars, London EC2P 2HS — 01-588 7511

Aust Friars W'wide	156.3	166.3	----	5.47

Windsor Trust Mngrs Ltd
83 Kingsway, London, WC2B 6SD — 01-405 8331

Capital & Equity	66.5	70.8xd	-0.4	6.68
Growth	79.5	84.6xd	-0.1	2.00
Income	76.7	81.6	-0.3	4.07
Property Share	46.2	49.2xd	—	1.47
Smaller Co's	60.0	63.9xd	-0.3	1.84

Albany Life Assurance Co Ltd—Contd.

Multiple Inv Acc(z)	391.2	422.3	-0.1	—
UK Smlr Co's Fd Acc(z)	101.4	106.7	-0.8	—
Pension Funds				
Brit Blue Chip Acc(z)	117.1	123.2	-0.3	—
Eq Pen Fd Acc(z)	1593.3	1677.1	-4.4	—
Euro Fd Acc(z)	225.8	237.6	+2.0	—
Fixed Int. Acc (z)	668.6	703.7	-0.1	—
Gt Money Pn Acc(z)	379.9	399.9	+0.3	—
High Income Fd Acc(z)	105.3	112.1	+0.2	—
Intl Man Fd(z)	493.0	518.9	+1.7	—
Jap Pen Fd Acc(z)	421.7	443.0	-4.9	—
N Am Pn Fd Acc(z)	164.6	173.2	-0.2	—
Pac Basin Fd Acc(z)	125.9	132.5	+2.6	—
Property(z)	414.7	436.5	+1.5	—
UK Smlr Co's Fd Acc(z)	104.4	109.8	+1.1	—
Multiple Inv Pens Acc(z)	1134.5	1194.1	+0.3	—
Broker Funds				
Prof Pen. Fd	80.1	84.3	-0.2	—
YRA Strategy	106.4	112.0	+0.2	—
Laughton Dollar (SE)	130.4	137.2	-0.7	—
JD Ward Life Acc	155.6	163.7	+0.1	—
JD Ward Pens Acc	185.3	195.0	+0.1	—

Allied Dunbar Assurance Plc
Allied Dunbar Ctr, Swindon SN1 1EL — 0793 28291

Fixed Int. Dep Acc	243.9	256.8	+0.1	—
Equity Acc	725.6	763.8	+7.5	—
Property Acc	414.0	436.7	+0.2	—
Far East Acc	173.5	182.7	+3.3	—
European Acc	17.4	10.4	+0.3	—
Managed Acc	574.6	604.9	+3.8	—
Managed Cap	335.9	353.6	+2.7	—
D'mas Earnings Acc	477.2	502.4	-3.9	—
Gilt Edged Acc	306.8	323.0	+0.2	—
American Equity Acc	349.2	367.6	+10.7	—
American Man Acc	166.1	174.9	-4.7	—
American Prop Acc	126.4	133.1	+1.2	—
Pen. F.I Dep Cap	267.9	282.1	-0.2	—
Pen. F.I Dep Acc	442.7	466.1	+0.5	—
Pen. Prop. Cap	487.3	513.2	+0.3	—
Pen. Prop. Acc	889.2	936.1	+0.9	—
Pen. Man. Cap	717.3	755.1	+6.8	—
Pen. Man. Acc	1308.1	1377.0	+13.0	—
Pen GiltEdg Cap	307.3	323.7	-0.2	—
Pen. Gilt Edg. Acc	458.8	483.0	+0.1	—
Pen. Eq. Cap	1169.2	1230.0	+14.3	—
Pen. Eq. Acc	1616.2	1701.3	+20.5	—
Pen. Am. Eq Cap	113.4	122.5	-2.0	—
Pen. Am. Eq Acc	134.4	141.5	+2.3	—

OTHER UK UNIT TRUSTS

INSURANCES

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

Prolific Life & Pensions Ltd (z)
Stramongate, Kendal, Cumbria LA9 4BE 0539 33733

Managed Fd	503 3	530 4	+4.3	–
Cash Fd	216.9	228 6	+0.8	–
Property Fund	257 0	270 4	+0 0	–
Equity Fund	544 5	573.8	+5.7	–
Fxd Int. Fund	292 9	308 7	+0.0	–
International	242.4	257 9	+4.5	–
High Income	404 1	429.9	-0.3	–
Far East	369.2	389.1	+7 0	–
North American	203 6	216.6	+4.9	–
Special Sits.	496.7	528 5	-1.2	–
Technology	219.9	234 0	+2.8	–
Extra Inc Fd	235 0	250 0	+0 2	–
Convertible & Gilt Fd	146 7	154 6	-0.2	–
American Income	98.6	104.4	+2.5	–
Gilt Fund 20	298 2	317 3	+0.3	–
European Fund	78 9	84.0	+1.0	–
Managed Pens. Acc.	464 8	489 3	+4 0	–
Building Soc. Acc.	216 4	228.3	+0.0	–
Property Pens. Acc.	255 7	269 2	+0 0	–
Fix Int. Pens. Acc.	351 3	369 0	+5.5	–
Equity Pens. Acc.	600 2	631.0	-0.5	–
International Pens Acc.	216 0	227 4	+4.5	–
High Inc Pens Acc.	408 9	430.5	+2 1	–
Tech Pens Acc.	140 9	148.5	-2.0	–
N American Pens Acc.	137 6	144.6	+4 4	–
Far Eastern Pens Acc.	348 7	367.1	+7.3	–
Special Sits Pens Acc.	391 4	412.6	+1.4	–
Extra Income Pens Fd.	264 7	278 7	+1.4	–
Convertible & Gilt Pen	155 5	163 7	-0.2	–
American Inc Pens	107.8	113 5	+2.6	–
European Pens.	81.1	85 4	+1.5	–
Broker Funds				
KSA Managed Fund.	125 3	131 9	+1.3	–
McKenna Mngd Fund	133 6	140 7	+2.0	–
Acorn Managed Fund	146 1	153 8	+1 7	–
Portfolio 2000	136 8	144 0	+1.1	–
Allied Anglo Mngd Fd.	110 8	116 7	+0 1	–
Brian Lister Mngd Fd.	101 3	106 7	+1.1	–
Archer Managed	105 9	111.5	+1.1	–
Burton Intnl Managed	96.2	101 3	+0 7	–
OFP PB Inv Port	96 0	100 1	+0 6	–
Chippendale	85 5	90 1	+1.0	–
De Bara Flexible In Bd.	84.5	89 0	+0 6	–
Hinton Hill W'wide Per	78 6	82 0	+0.4	–
Dowen Inc & Growth	80 4	84 7	+0.8	–
Coventry Inv.	83.7	88 2	+0 9	–
LDN Prof Inc Priv Mngd	125 7	132 4	+0 8	–
Berkeley St James.	89 7	94.5	+0 7	–
FSC Managed Portfolio	61 4	64 7	-0.0	–
FIC Property Fd	137 4	144 7	+2.6	–
Cose Inv Portfolio	101 6	107 0	+0 9	–
Sandbourne Mngd Bond.	99 6	104 4	+1 1	–
MASTERFUND	101 8	109.3	+0 0	–
Ascot Mngd	94 4	99 4	+0 7	–
PBM Max Gwth & Inc	95 9	101 0	+0.4	–
JPL Wade Private Mngd	96 6	101 7	+0 4	–
Lloyd & Whyte Mngd	100.3	105 6	-1.1	–

For Capital Unit and Other Prices ring 0539-33733

Property Equity & Life Ass. Co
Baxter Ave, Southend SS2 6QH 0702 333433

Int Man Pension Fd	122.3	128 8	----	–
Int Man Crncy Bd Fd		126 9	----	–
Int Man Crncy Bd Fund		116 7	----	–
Flexible Prop Bd Fd.		159 2	----	–
Flexible Money Bd. Fd		310 6	----	–
Special Man Inc. Fd		122 7	----	–

Property Growth Assur Co Ltd
Sun Alliance House, Horsham 0403 641411

Property Fund		374 2	+0 1	–
Property Fund (A)		357 0	+0.1	–
Agricultural Fund		508.5	+0.1	–
Agric. Fund (A)		488 7	+0.1	–
Abbey Nat. Fund		290 4	----	–
Abbey Nat Fd (A)		302.3	----	–
Investment Fund		207.2	+1.7	–
Investment Fund (A)		200 8	+1.6	–
Equity Fund		747.4	+6.7	–
Equity Fund (A)		726.1	+6.6	–
Money Fund		298 2	+0 1	–
Money Fund (A)		289 2		–
Actuarial Fund		344 7	+3.2	–
Gilt-Edged Fund		263.5	-1.4	–
Gilt-Edged Fd (A)		263 5	-1.4	–
Retire Annuity		614 9	----	–
Immed Ann'ty		254 0	----	–
International Fd		366 6	+8.5	–
Bldg Soc Life Fd		148 4	----	–
Property Growth Pensions & Annuities Ltd				
All W'ther Ac Uts.	438.1	461 2	----	–
Inv Fd Uts		468 4	----	–
Pension Fd Uts		427.3	+0.1	–
Conv Pens Fd		494 0	+0 1	–
Cnv Pns Cap Ut.		314 5	----	–
Man Pens Fd		395.1	+5 6	–
Man Pens Cap Ut.		392 8	+3 6	–
Prop Pens Fd		452 4	+0.1	–
Prop Pens Cap Uts		291 6	----	–
Bldg Soc Pen. Ut		436.1	+0 1	–
Bldg Soc. Cap Ut.		287.8	----	–
Gilts Pens Fd		217.6	-1.1	–
Gilts Pens Fd Cap		201 4	+0 9	–
Equity Pens Fd		506 0	+5 4	–
Equity Pens Fd Cap		377 1	+4 0	–
Intl Pens Fd		166 4	+4 6	–
Intl Pens Fd Cap		141.9	+3.7	–

Regency Life Assurance Co Ltd
55-57 High Holborn, London WC1V 6DU 01-831 7481

Aggressive Ptflio Fd	107 0	113 4	+0 9	–
Balanced Ptflio Fd	283.4	298.3	+1.9	–
Cautious Ptflio Fd	116.4	122.5	+0 4	–
Eire Fund	99 1	104.3	+0.9	–
European Fund	67.2	70 7	-0.6	–
Far East Fund	103 0	108.4	+0 6	–
Fixed Interest Fund	240 4	253 0	+0.3	–
International Fund	114.7	225.9	+0.8	–
Money Fund	166.4	173 1	+0 1	–
N. American Fd	85.6	90.1	-2.8	–
Property Fund	417 6	439.5	+9 7	–
UK Equity Fd	340.6	358.5	-5 0	–
A.I.M. Brwin Diplo Fd.	62.7	67 0	----	–
Ashlands Sel. Inv. Fd	104 6	110 1	+1.0	–
Chart Safety First Bd.	109 7	115.5	+0 4	–
Conquest Fund	66 0	70.3	+0 6	–
Exec Master Fd	85 5	90.0	+0.1	–
Hardwick Growth Fd.	104 1	109.6	+0.3	–
Bentley Haig LB Port.	91 1	95.9	----	–
Milbourne Spec Port.	98.2	103 4	+0 4	–
Swiss Global Fd.	100 2	105 5	+0 4	–

All funds have equivalent pension fund. Series 2 prices above.
Others available from Regency Life.

Reliance Mutual
Reliance House, Tunbridge Wells, Kent 0892 510033

Deposit Acc Fd	115.5	121.6	----	–
Equity Acc Fd	258 0	271 6	+1.3	–
Managed Acc Fd	239.5	251 4	----	–
Prop Fd (1st Issue)	–	505.2	+9.3	–
Prop Acc Fd (2nd Iss)	159 6	168.0	----	–
Unit Trust Mir. Fd	88.3	93.0	----	–
RL Pension Funds				
Deposit Acc	144.0	151.5	----	–
Equity Acc.	188.4	198.3	----	–
Fixed Int Acc.	151.5	159.5	----	–
Gilt Indx Lnk Acc	122 4	128 8	----	–
Managed Acc.	222.4	234 7	----	–

MANAGEMENT SERVICES

OFFSHORE AND OVERSEAS

UK LISTED

OFFSHORE INSURANCES

OTHER OFFSHORE

FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

BRITISH FUNDS

1988 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
100¼	99[illegible]	Treas 4½pc '88	100½	–½	0.46	8.17
102½	101¼	Treas 11½pc 1989	102	[illegible]	11.28	8.51
101[illegible]	99¾	Treas 9½pc Cnv 1989	100[illegible]	[illegible]	9.49	8.68
97½	95[illegible]	Treas 3pc 1989	96[illegible]	[illegible]	3.09	6.02
102[illegible]	100[illegible]	Treas 10½pc 1989	101[illegible]	[illegible]	10.39	8.86
102	100[illegible]	Exch 10pc 1989	101[illegible]	[illegible]	9.89	8.92
103[illegible]	101[illegible]	Exch 11pc 1989	102[illegible]	[illegible]	10.74	8.98
97[illegible]	95[illegible]	Treas 5pc 1986-89	96[illegible]	[illegible]	5.17	7.56
104[illegible]	101¼	Exch 10¼pc Cv '89	102[illegible]	[illegible]	9.99	8.28
107½	105¼	Treas 13pc 1990‡‡	105¼	[illegible]	12.28	9.00
104[illegible]	102¼	Exch 11pc 1990‡‡	102¾	[illegible]	10.69	9.08
107[illegible]	105[illegible]	Exch 12½pc 1990	105[illegible]	[illegible]	11.85	9.08
93[illegible]	91[illegible]	Treas 3pc 1990	92[illegible]	[illegible]	3.24	7.08
99[illegible]	93[illegible]	Treas 8¼pc 1987-90‡‡	99[illegible]	[illegible]	8.30	8.56
102¼	98[illegible]	Treas 8pc Cv 1990 ‡‡	99[illegible]	[illegible]	8.01	8.05
103[illegible]	100[illegible]	Treas 10pc Cv 1990	101¼	[illegible]	9.81	9.08
91[illegible]	88[illegible]	Exch 2½pc 1990	90½	[illegible]	2.78	6.96
107¼	105[illegible]	Treas 11¾pc 1991	105[illegible]	[illegible]	11.10	9.13
95[illegible]	92[illegible]	Funding 5¾pc '87-91‡‡	93[illegible]	[illegible]	6.13	8.21
90[illegible]	87[illegible]	Treas 3pc 1991	88[illegible]	[illegible]	3.37	7.24
105[illegible]	101[illegible]	Treas 10pc Cv '91 ‡‡	103[illegible]	[illegible]	9.67	8.70
107[illegible]	104[illegible]	Exch 11pc 1991	105½	[illegible]	10.43	9.07
98[illegible]	95[illegible]	Treas 8pc 1991	96[illegible]	[illegible]	8.29	8.99
113[illegible]	109[illegible]	Treas 12¾pc 1992‡‡	110[illegible]	[illegible]	11.48	9.10
104[illegible]	101[illegible]	Treas 10pc 1992	102[illegible]	[illegible]	9.74	9.11
98[illegible]	94[illegible]	Treas 8pc 1992 ‡‡	96[illegible]	[illegible]	8.28	9.04
106[illegible]	102[illegible]	Treas 10½pc Cv 1992‡‡	104[illegible]	[illegible]	10.05	9.12
86[illegible]	83[illegible]	Treas 3pc 1992	84[illegible]	[illegible]	3.54	7.41
112[illegible]	108¾	Exch 12¼pc '92	110[illegible]	[illegible]	11.10	9.23
117[illegible]	113[illegible]	Exch 13½pc 1992	114[illegible]	[illegible]	11.77	9.25
40[illegible]	39[illegible]	Treas 8¼pc 1993 (40)●	39[illegible]	[illegible]	8.55	9.19
105[illegible]	100[illegible]	Treas 10pc 1993‡‡	103[illegible]	[illegible]	9.69	9.13

Five to Fifteen Years

Over Fifteen Years

BRITISH FUNDS—Contd

1988 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
130[illegible]	121[illegible]	Exch 12pc '13-'17	127[illegible]	–½	9.42	9.19
		Undated				
44[illegible]	41[illegible]	Consols 4pc	43½	.....	9.14	–
39[illegible]	37[illegible]	War Loan 3½pc‡	39[illegible]	.....	8.96	–
52¼	48[illegible]	Conv. 3½pc '61 Aft	51[illegible]	.....	6.78	–
33[illegible]	30[illegible]	Treas 3pc '66 Aft	32¼	.....	9.16	–
28[illegible]	26¼	Consols 2½pc	27[illegible]	.....	9.05	–
28[illegible]	26¼	Treas 2½pc	27[illegible]	.....	9.05	–
		Index-Linked			(1)	(2)
121[illegible]	117½	Treas 2pc IL '90(84.6)	120[illegible]	–¼	0.70	2.33
103[illegible]	99[illegible]	Do. 2pc '92‡‡ (97.8)	101[illegible]	–¼	2.20	2.91
40	40	Do. 2pc '94	40	.....		
139[illegible]	127[illegible]	Do. 2pc '96(67.9)	137[illegible]	[illegible]	3.00	3.33
114[illegible]	103[illegible]	Do 2½pc '01 (78.3)	112[illegible]	[illegible]	3.62	3.86
111[illegible]	101[illegible]	Do 2½pc '03(78.8)	110[illegible]	[illegible]	3.69	3.90
112[illegible]	102½	Do. 2pc '06(69.5)	111[illegible]	[illegible]	3.76	3.93
105[illegible]	95[illegible]	Do. 2½pc '09(78.8)	104[illegible]	[illegible]	3.77	3.93
109[illegible]	99[illegible]	Do. 2½pc '11(74.6)	108[illegible]	[illegible]	3.77	3.93
90[illegible]	82[illegible]	Do. 2½pc '13(89.2)	89[illegible]	[illegible]	3.76	3.91
98[illegible]	88[illegible]	Do 2½pc '16(81.6)	96½	[illegible]	3.72	3.87
95[illegible]	87½	Do. 2½pc '20 (83.0)	94[illegible]	[illegible]	3.66	3.79
80[illegible]	7[illegible]	Do. 2½pc '24 ‡‡(97.7)	79[illegible]	[illegible]	3.63	3.74

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base month for indexing. (ie 8 months prior to issue) and have been adjusted to reflect rebasing of RPI to 100 in January 1987. Conversion factor 3.945. RPI for September 1987:102.4 and for April 1988:105.8

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

1988 High	Low	Stock	Price £	+ or –	Div % Gross	Red. Yield
45	33	Greek 7pc Ass.	45	.....	3.50	f7.78
45	33	Do. 6pc 28 Stb. Ass.	45	.....	3	f6.67
45	33	Do 4pc Mixed Ass.	45xd	.....	2	f4.44
75	63	Hung. '24 Ass.	75	.....	2.75	f3.67
140[illegible]	128[illegible]	Hydro Quebec 15pc 2011	136[illegible]	[illegible]	13.00	10.70
128[illegible]	118[illegible]	Iceland 14½pc Ln 2016	123[illegible]	[illegible]	14.50	11.58
101[illegible]	96½	Ireland 9¾pc '91-96	100¼	.....	9.75	9.60

AMERICANS

1988 High	Low	Stock	Price £	+ or –	Div Gross	C'vr	Y'ld Gr's
29½	22¾	Abbott Laboratories‡	25[illegible]	[illegible]	$1[illegible]	–	2.6
649p	423p	♦Allegheny & W Lc.	452p	+12	[illegible]	–	3.6
11[illegible]	862p	Amax $1	11[illegible]	+¼	[illegible]	–	–
25¼	16[illegible]	Amdahl 5c	25[illegible]	[illegible]	[illegible]	–	0.4
30	22	Amer. Cyanamid $5	26¼	+1¼	$1[illegible]	–	2.2
13½	13¼	Amer. Express 60c	13[illegible]	[illegible]	[illegible]	–	3.0
967p	668p	Amer. Medical Int. $1	927p	.....	[illegible]	–	4.3
17[illegible]	13[illegible]	American T. & T. $1	14[illegible]	[illegible]	$1[illegible]	–	4.4
54[illegible]	44[illegible]	Ameritech $1	49[illegible]	+2¼	$5[illegible]	–	–

Continued on next page

Money Market Trust Funds

Money Market Bank Accounts

LONDON SHARE SERVICE

AMERICANS—Contd

CANADIANS

BANKS, HP & LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BUILDING, TIMBER, ROADS

BUILDING, TIMBER, ROADS Contd

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY AND STORES—Contd

ELECTRICALS

ENGINEERING

ENGINEERING—Contd

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS (Miscel.)—Contd

INDUSTRIALS (Miscel.)—Contd.

INSURANCES

LEISURE

هكذا من الأصل

LONDON SHARE SERVICE

LEISURE – Contd

Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
Ausco 1p	56	.....	0.5	6.7	0.6	24.3
BCE Hldgs 5p	35	+1	Ld1.0	2.7	3.8	13.0
Barr & W.A.T. 'A'	260	.....	12.0	1.8	3.6	13.3
Bond Media	26	+1	–	–	–	–
Boosey & Hawkes	215	.....	3.0	♦	–	♦
Border T.V.	33	+2	†1.4	2.4	6.0	9.0
Brent Walker 10p	376	+2	8.0	3.1	2.8	12.4
Do 6pc Cv.Cm Rd.Pf	114	+1	6.0	–	7.0	–
Campari Int. 20p	304	–2	6.5	4.4	2.9	8.6
Castle Comms. 5p	225	.....	L7.0	2.0	4.3	15.7
Capital Radio 10p	268	.....	†6.0	2.7	3.0	16.4
[illegible] TV	539	.....	22.0	♦	5.4	♦
[illegible]	126	.....	7.0	1.9	7.4	9.3
[illegible] 5p	67	.....	0.5	3.7	1.0	27.3
[illegible]	26	.....	–	–	–	–
[illegible]	56	+1	Q24.6%	0.9	10.1	17.4
[illegible] 5p	271	.....	–	–	–	–
Fairline Boats 10p	405	–2	†9.0	4.7	3.0	9.5
[illegible] Leisure	143	.....	2.34	3.2	2.2	19.0
GWR Group 20p	405	.....	–	–	–	15.9

PAPER, PRINTING, ADVERTISING – Contd

PROPERTY

TEXTILES – Contd

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS, FINANCE, LAND – Contd

Finance, Land, etc

OIL AND GAS

OIL AND GAS – Contd

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Diamond and Platinum

Central African

Finance

Australians

MINES – Contd

Tins

Miscellaneous

THIRD MARKET

MOTORS, AIRCRAFT TRADES

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

NOTES

REGIONAL & IRISH STOCKS

IRISH

TRADITIONAL OPTIONS

3-month call rates

LONDON STOCK EXCHANGE

Account Dealing Dates			
*First Dealings	Option Declarations	Last Dealings	Account Day
May 23	Jun 2	Jun 3	Jun 13
Jun 6	Jun 16	Jun 17	Jun 27
Jun 20	June 30	Jul 1	Jul 11

*New time dealings may take place from 9.00 am two business days earlier.

FT-SE Index above 1800 as blue chips follow Wall Street but Gilts mixed

THE STRENGTH of Wall Street, together with the fall in sterling, brought widespread gains in major blue chip stocks on the London market yesterday, although the big institutional investors showed little keenness to buy equities. The bond sector had a more irregular session, as higher money market rates reflected nervousness over the outlook for bank base rates.

In the stock market, attention moved away from the speculative features, and it was the substantial gains in such foreign currency earners as ICI, Glaxo and Shell that pushed the FT-SE Index above 1800 again, for the first time since May 6.

At 1805.7, the FT-SE 100 Index put on 21.3 points. Seaq volume at 440.3m shares indicated a significant, but not substantial increase in market turnover.

Most of the rise came very early, with the Index already above 1800 before 10.00am as London responded to Wall Street's overnight advance of 74 Dow points. The marketmakers, who are at their desks by 8.00am, marked prices sharply higher on their Inter-Dealer Broker screens, exclusive to themselves, and shuffled their trading portfolios, ready for retail buyers to appear.

However, the institutions were in no hurry to surface. Prices held at their opening levels, and the market was sustained for much of the day by the renewed dip in the pound. With Wall Street firmer again as London closed, UK equities ended at the day's best levels, but still lacked genuine investment support.

The caution of the institutional managers was indicated in the relatively modest turnover levels in ICI (1.3m shares), Beecham (2.9m) and Fisons (1.1m).

The food share sector, still lacking news on Nestlé's next move in the tussle with Jacobs Suchard for control of Rowntree, the British chocolate maker, or of any moves on Cadbury Schweppes, was more subdued.

With turnover down to 4.7m shares, Cadbury eased 5 to 413p, while Rowntree edged up by 1½ to 1039p on turnover of a mere 987,000 shares.

Government bonds were influenced by the fall in sterling, especially against the German mark, although traders maintained that worries over higher base rates are still fairly slight at this stage. Dealers were asking whether yesterday's dip in sterling indicates a fundamental shift in trends, or merely, "a single, perhaps hysterical, session in foreign exchange".

Nevertheless, short-dated Gilts fell by half a point at worst, before rallying to end a net ⅜ off. Longer dated bonds, which would benefit from the deflationary implications of higher base rates, moved up by $\frac{1}{16}$. Traders commented that retail business showed only a modest increase over recent trading sessions, and that the market steadied with sterling towards the close.

Little interest was shown in Index-linked Gilts ahead of this morning's tender for £440m of IL 2pc '94 stock.

LASMO shares jumped to 415p at the outset of trading following a report that Spanish group Repsol has recently acquired a 4.9 per cent stake and is preparing a full-scale takeover bid for the North Sea oil group. But the share price subsequently dipped back to close a net 7 np at 412p after a turnover of 1m.

Mr Chris Greeotree, chief executive of LASMO, said the group was "unaware of any shareholding in LASMO in excess of 1 per cent, apart from previously known institutional holdings and that of RTZ".

Glaxo responded vigorously to the downturn in the pound, rising 20 to 918p, as market analysts reassessed the board's recent warning on currency factors. Glaxo bases its foreign currency accounts for the full year on the sterling rate recorded on year-end date – June 6 – so the current upturn in the dollar is timely.

Nomura Securities reckons that, "every full point change on the trade-weighted sterling index means £10m on Glaxo's trading profits", and is forecasting £810m pre-tax for this year. At Robert Fleming, Mr Steve Plag, predicting £810m – £820m pre-tax from Glaxo, pointed out that last week's warnings came when the sterling exchange rate index stood at 78.2 compared with yesterday's 77.3.

Beecham came to the forefront amid a revival of demand on prospects for the group's heart drug Eminase. Fresh interest was triggered as US analysts began to question the outlook for TPA, Genentech's rival drug, on the basis that a similar product is being produced more cheaply by Hoechst of West Germany. Beecham recently announced a joint venture with Upjohn to market Eminase in the US. Trading in Beecham expanded to 2.9m with the price closing 13 higher at 475p.

Racal shares returned to the limelight in the wake of strong buying by Warburg Securities. The securities house issued a "buy" recommendation on the stock based on a valuation of the Vodafone business, giving the latter a price tag of £2.5 bn, or 394p on an earnings per share basis.

The market was also given a substantial boost by stories that takeover moves regarding Racal could well develop in the next few weeks. Racal shares leapt to 328p before dipping back to end the session a net 10 up at 322p. Turnover was 10m, 7m of which were traded before midday.

Standard Chartered were again strongly supported with the share price settling a further 18 higher at 486p after a turnover of 1m. Talk that Lloyds could be interested in renewing its bid for the bank was replaced by stories in the market that a takeover approach from Australian banking group Westpac could be on the cards.

It was also rumoured that the major stakes in Standard held by far eastern businessmen and the all-important 14.9 per cent held by the Bell Group could well be on the move.

AG Stanley, the Fads and Home Charm DIY group, spurted 18 to 303p after news of the agreed increased bid worth £130m from Ward White, the Payless, Halfords group. Ward White's increased offer givers a cash alternative of 300p a share and won the agreement of Williams Holdings, which has a 25.4 per stake in Stanley.

Ward White shares also responded positively to the news and jumped 10 to 299p.

Speyhawk and the Rosehaugh Stanhope parternship, the main contenders in the race to redevelop the 120 acre King's Cross railway site in London, held centre stage as the market awaited British Rail's imminent decision on the project. The proposed development is regarded as one of the biggest in Britain with enormous potential to generate profits.

Rosehaugh moved ahead strongly in the early dealings and touched 745p before falling back to close 4 higher on the day at 739p. USM listed Stanhope, however, held a rise of 8 at 288p. Speyhawk, regarded as the outsider in the contest, closed 6 to the good at 399p, after 403p. Some quarters are currently taking the view that the decision will not be clear cut and may end in a compromise.

Shares in Walter Runciman, the shipping and property company, jumped 20 to 318p as engineering conglomerate Telfos Holdings announced a 24.58 per cent stake. Telfos director Mr Jonathon Malins said, "We have bought the stake at a good price as a good investment and have an open mind at this stage". Malins confirmed that most of Telfos's stake had been purchased from John Govett, previously a long-term holder of Runciman shares.

Analysts said Runciman has recently turned the corner after a difficult period and would not welcome a bid. Mr Roger McIntyre-Brown, finance director, said, "We heard of the stake on Tuesday and cannot make any further comment except to say that Telfos has not yet announced an intention to bid".

Standard Chartered apart, the rest of the banking sector made further rapid progress, with gains spread evenly among the "big four". Lloyds were again especially favoured and turnover in the stock reached 6m yesterday, compared with the effective 3.4m traded in the previous session; the shares touched 310p before closing a net 4 up at 308p with dealers reporting renewed market talk of a stake-building exercise and another substantial amount of business being carried out via the inter-dealer broker screens.

Turnover in the other banks was much smaller, with traders reporting buying in the sector triggered by a "general re-rating ahead of the July interim figures season". Barclays added 9 at 403p, NatWest a similar amount at 563p and Midland put on 13 more at 415p.

In insurances, Commercial Union, in the wake of a large buying order and reflecting a stock shortage, jumped 4 to 363p.

Brewery stocks held their ground, with Irish Distillers rising 16 to 311p after Monday's bid. Persistent market rumours linked Guinness and Grand Metropolitan with Moet Hennessy Louis Vuitton after Moet's share price jumped. Analysts estimated that around 5 per cent of Moet's shares have changed hands recently and suggested that if Guinness had been buying the shares it might be taking a pre-emptive stake to protect its successful joint ventures with Moet. Both Grand Met and Guinness officials said they were unable to comment. Guinness shares were up 3 to 324p, while Grand Met rose 8 to 509p, both in thin volumes.

International stocks moved ahead strongly in the wake of the sharp overnight improvement on Wall Street and the easier trend in sterling. Reuters advanced 13 to 495p, while other overseas earners to improve by a similar amount included Rank Organisation, 719p, and Cookson, 527p. Smiths Industries gained 9 to 236p

Demand persisted for Wellcome, up 8 further at 543p, ahead of the Stockholm Aids conference. Johnson Matthey, still reflecing the current strength of the platinum price, moved up 9 further to 312p while further consideration of the expansion of its engineering interests with the £13.5m acquisition of Paragon Group, left Portals 35 to the good at 270p in a limited market. Ricardo jumped 10 more to 135p as CH Industrials revealed a 6.32 per cent stake in the company.

Sears were easily the most active stock in a generally busy stores sector with 11m shares traded including a block of 2.2m at 122p. The share price edged up 124p with traders citing talk of further rationalisation of the group and vague bid rumours as responsible for the strong showing.

The strong performance by the dollar stimulated good interest for Cable & Wireless which moved up 9 to 355p on turnover of 5.2m. British Telecom, where 6.5m shares changed hands, edged up a shade more to 239p ahead of the preliminary figures expected a week today; BZW are forecasting earnings of £2,285m, while Citicorp are going for £2,260m and Hoare Govett £2,290m.

Thorn EMI, where buying has been boosted by the recent positive circular from Morgan Grenfell, rose 6 to 637p.

FKI, preliminary results expected today – Flemings are going for £46m against last year's £11.3m – continued to gain ground and closed 4 up at 127p after turnover of 4.4m shares. The impressive performance on Wall Street on Tuesday and the firm opening yesterday induced heavy and sustained US buying of the oil majors. BP "old" touched 265p before ending the day a net 4½ higher at 264½p while the "new" shares picked up 3 at 67p after a turnover of 10m. Shell moved up smartly to close 28 firmer at 1055p. British Gas edged up to 169p in the wake of a County NatWest "buy" recommendation which boosted turnover to 5.4m shares.

Ruberoid featured a gain of 9 at 218p as market speculators suggested that Raine Industries may pass its recently acquired holding on to a possible predator. Orignal thoughts were that Raine would make an outright bid for Ruberoid itself. Dealers reported a good two-way trade in Redland (some 2.2m shares changed hands) which settled 6 dearer at 409p. Tarmac, which announced the sale of all of its interests in South Africa for £7m, closed a few pence firmer at 249p.

Wall Street and currency influences gave a strong boost to ICI which advanced 21 to 975p, but the volume of trade was relatively low.

Foods, "ran out of steam", according to dealers who reported widespread end-account profit-taking in the sector after the takeover-inspired activity of past weeks.

Jaguar opened strongly at 266p, but later slipped back in thin trading to close at 260p, three up on the day.

Carlton Communications dropped back 5 to 805p after announcing an impressive 59 per cent increase in first half profits. Marketmakers said the shares had had a good run before the figures.

The interim results from MEPC, down 5 at 561p failed to excite the market, but Laing Properties, reflecting further consideration of the Canadian shopping centres deal, firmed 8 to 443p.

Traded Options attracted 28,391 contracts made up of 19,816 calls and 8,575 puts. The major business was seen in Racal, where the forthcoming Vodafone flotation and bid speculation led to 2,087 calls and 385 puts.

FINANCIAL TIMES STOCK INDICES

	June. 1	May. 31	May. 27	May. 26	May. 25	Year Ago	1988 High	1988 Low	Since Compilation High	Since Compilation Low
Government Secs	89.60	89.97	89.91	90.07	90.28	92.47	91.43 (18/4)	86.97 (13/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Interest	98.36	98.63	98.62	98.67	98.67	98.33	98.67 (25/5)	94.14 (8/1)	105.4 (28/11/47)	50.53 (3/1/75)
Ordinary ♥	1439.6	1427.5	1430.0	1430.4	1430.7	1724.3	1478.7 (4/3)	1349.0 (8/2)	1926.2 (16/7/87)	49.4 (26/6/40)
Gold Mines	224.5	217.3	215.7	216.0	216.9	380.2	312.5 (7/1)	195.4 (13/5)	734.7 (15/2/83)	43.5 (26/10/71)
Ord Div.Yield	4.59	4.64	4.64	4.64	4.63	3.30				
Earnings Yld. %(full)	11.80	11.93	11.92	11.92	11.92	7.95				
P/E Ratio (net)(*)	10.37	10.26	10.26	10.27	10.28	15.45				
SEAQ Bargains (5pm)	23,719	23,984	21,504	21,326	25,127	47,464				
Equity Turnover (£m)	–	1012.59	914.14	1135.41	1271.10	1757.66				
Equity Bargains	–	26,488	24,168	25,270	27,750	59,291				
Shares Traded (ml)	–	366.5	368.9	423.7	488.2	719.0				

S.E ACTIVITY

Indices	May.31	May.27
Gilt Edged Bargains	105.3	115.8
Equity Bargains	171.6	156.6
Equity Value	2046.7	1847.7
5-Day average		
Gilt Edged Bargains	113.0	112.6
Equity Bargains	166.3	161.9
Equity Value	2179.0	2067.1

♥ Opening	10 a.m.	11 a.m.	12 p.m.	1 p.m.	2 p.m.	3 p.m.	4 p.m.
1437.9	1439.4	1438.6	1439.6	1439.4	1441.3	1441.4	1438.6

Day's High 1442.0 Day's low 1436.8

Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/35, S E Activity 1974, * Nil = 10.27.

LONDON REPORT AND LATEST SHARE INDEX: TEL. 0898 123001

Traditional Options

- First dealings May 31
- Last dealings June 10
- Last declarations Sept 1
- For Settlement Sept 12

For rate indications see end of London Share Service

Interest failed to expand in the Traditional option market yesterday. *Stocks favoured for the call* included Singer and Friedlander, Pleasurama, Sirdar, C.H. Beazer, Ferranti, Courtaulds, Renold, PML, Brooke Tool, Boots, Associated British Engineering, Bristol Channel, Ben Bailey, Eagle Trust, Unilever and Reliant Motor. No call options were reported but a double option was arranged in Ferranti.

TRADING VOLUME IN MAJOR STOCKS

The following is based on trading volume for Alpha securities dealt through the SEAQ system yesterday until 5 pm.

Stock	Volume 000's	Stock	Volume 000's	Stock	Volume 000's
ASDA Group	3,400	General Accident	68	Prudential	2,900
Allied-Lyons	1,900	General Elect.	3,000	Racal	9,900
Amstrad	1,100	Glaxo	2,400	Rank Org.	435
Argyll Group	1,500	Globe Investment	360	RMC	213
Assoc. Brit. Foods	177	Granada	1,600	RHM	226
BAA	1,700	Grand Met	1,900	Reckitt & Colman	684
BAT	2,900	GUS "A"	270	Redland	2,150
BET	517	Guardian R.E.	156	Reed Intl.	663
BICC	71	GKN	1,000	Reuters "B"	699
BOC	2,800	Guinness	1,700	RTZ	1,600
BPB Inds	1,000	Hammerson	279	Rolls-Royce	2,400
BTR	5,600	Hanson	7,700	Rothmans "B"	165
Barclays	2,000	Hawker Siddeley	679	Rowntree	935
Bass	685	Hillsdown Holdings	1,000	Ryl Bank Scotland	504
Beecham	2,900	IMI	1,500	Royal Insurance	1,000
Blue Arrow	1,000	ICI	1,300	STC	1,200
Blue Circle	339	Inchcape	896	Saatchi & Saatchi	1,600
Boots	629	Jaguar	1,200	Sainsbury	772
Brit. Airways	2,900	Ladbroke	677	Scott & Newcastle	872
Brit. Aerospace	1,200	Land Securities	1,200	Sears	11,000
Brit. & Comm.	428	Laporte	441	Shell Transport	1,600
British Gas	5,400	Legal & General	1,200	Smith & Nephew	2,600
BP	2,300	Lloyds Bank	6,000	Standard Chartered	1,000
Brit. Telecom	6,500	LASMO	1,000	Storehouse	1,000
Burmah Oil	398	Lonrho	3,250	Sun Alliance	128
Burton	989	Lucas	613	T & N	293
Cable & Wireless	5,200	MEPC	663	TSB	8,600
Cadbury Schweppes	4,700	Marks & Spencer	7,400	Tarmac	2,400
Coats Viyella	1,200	Maxwell Comm.	1,500	Tesco	2,100
Commercial Union	1,900	Metal Box	1,850	THORN EMI	674
Cons. Gold	567	Midland Bank	1,700	Trafalgar House	1,700
Cookson	1,200	NatWest Bank	2,500	Trusthouse Forte	3,500
Courtaulds	1,300	Next	3,100	Ultramar	1,800
Dalgety	1,200	Northern Foods	725	Unilever	1,100
Dee Corporation	1,700	Pearson	451	United Biscuits	6,300
Dixons	1,900	Pearl Group	153	Wellcome	1,700
English China Clays	1,200	P & O	845	Whitbread "A"	1,200
Enterprise Oil	1,400	Pilkington	2,400	Williams Holdings	3,500
FKI Babcock	4,200	Plessey	1,300	Wimpey	8
Fisons	1,100			Woolworth	981

NEW HIGHS AND LOWS FOR 1988

NEW HIGHS (139).

AMERICANS (9) CANADIANS (4) BANKS (4) BREWERS (4) BUILDINGS (7) CHEMICALS (3) STORES (4) ELECTRICALS (13) ENGINEERING (2) FOODS (3) HOTELS (1) INDUSTRIALS (28) LEISURE (7) MOTORS (2) NEWSPAPERS (1) PAPERS (2) PROPERTY (10) SHIPPING (2) TEXTILES (4) TRUSTS (13) OILS (5) PLANTATIONS (3) MINES (14) THIRD MARKET (2).

NEW LOWS (30).

BRITISH FUNDS (2) Treas. 10pc 1989, Exch. 3pc Gas '90-95, BUILDINGS (1) Johnstones Paints, CHEMICALS (2) Coalite Group, Croda Int'l, STORES (2) Brown (N.), Ward White Cv. Rd. Prf., ELECTRICALS (4) Appl'd H'graphics, Nacronics Tech., Peek, Security Tag Systems ENGINEERING (1) Airship Inds., INDUSTRIALS (8) Baynes (Charles), Elga group, Kelsey Inds., Kenyon Secs., Macarthy, Pacer Systems, Shiloh, Wills Group, PAPERS (3) Cralon Lodge, Fairway (London), Osborne & Little, SHOES (1) FII Group, TRUSTS (2) Multitrust, Brit. & Comm. 7.75pc Cv. 2000.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	1	110	2
Corporations, Dominion and Foreign Bonds	1	19	33
Industrials	577	214	763
Financial and Properties	252	76	326
Oils	48	14	44
Plantations	6	0	7
Mines	102	18	71
Others	164	20	84
Totals	1,151	471	1,330

FT – ACTUARIES INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed June 1 1988 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (Act at (25%))	Est. P/E Ratio (Net)	xd adj. 1988 to date	Tue May 31 Index No.	Fri May 27 Index No.	Thu May 26 Index No.	Year ago (approx) Index No.
1	CAPITAL GOODS (200)	762.75	+1.0	10.22	3.99	12.20	10.81	754.91	755.87	758.19	931.78
2	Building Materials (29)	991.01	+1.4	10.99	4.02	11.21	11.36	977.80	984.53	988.76	283.584
3	Contracting, Construction (35)	1571.23	+0.6	10.19	3.39	12.99	25.56	1561.41	1564.99	1569.69	1575.77
4	Electricals (12)	2038.06	+0.3	9.40	4.91	13.12	43.35	2031.43	2055.60	2066.24	2397.22
5	Electronics (32)	1608.10	+1.2	10.26	3.37	12.66	13.96	1589.41	1591.67	1597.31	2111.69
6	Mechanical Engineering (56)	390.90	+1.1	10.04	4.38	12.43	6.85	386.72	386.35	387.95	501.34
8	Metals and Metal Forming (7)	461.69	+1.5	10.11	3.82	12.10	6.02	454.98	456.58	457.86	585.78
9	Motors (13)	271.40	-0.9	11.77	4.53	9.84	5.11	269.17	269.57	268.89	343.71
10	Other Industrial Materials (24)	1272.63	+0.9	9.14	4.39	13.02	20.98	1261.64	1252.60	1254.39	1545.30
21	CONSUMER GROUP (107)	1076.11	+0.8	8.89	3.54	14.30	11.68	1067.69	1066.97	1066.18	1281.87
22	Brewers and Distillers (21)	1120.02	+0.6	10.62	3.61	11.84	13.49	1113.07	1113.08	1116.32	1194.48
25	Food Manufacturing (23)	951.44	+0.3	0.59	3.57	14.95	12.53	948.27	947.70	935.45	983.32
26	Food Retailing (15)	1993.01	+0.1	8.53	3.26	15.64	14.27	1991.66	2001.48	2008.66	2391.57
27	Health and Household (12)	1819.76	+1.0	6.70	2.63	17.62	10.89	1786.98	1767.32	1771.15	2452.77
29	Leisure (30)	1298.91	+0.3	8.08	3.66	15.83	17.70	1291.85	1288.68	1285.68	1337.31
31	Packaging & Paper (17)	490.06	+0.1	9.19	3.93	14.22	3.88	489.52	490.43	489.62	661.09
32	Publishing & Printing (16)	3401.37	+0.4	0.20	4.37	13.46	44.73	3386.49	3391.91	3388.37	3783.35
34	Stores (35)	816.00	+1.1	10.07	3.89	13.17	10.25	807.11	809.22	812.76	1092.14
35	Textiles (18)	582.74	+1.0	11.53	4.51	10.12	5.49	577.09	582.56	577.76	764.42
40	OTHER GROUPS (92)	865.45	+1.0	11.05	4.37	11.16	8.75	856.73	855.23	857.10	1100.94
41	Agencies (19)	1144.68	+0.7	7.12	2.34	17.74	9.79	1136.99	1127.03	1117.58	1502.09
42	Chemicals (20)	990.88	+1.4	12.20	4.94	10.02	21.47	976.91	973.48	976.69	1366.64
43	Conglomerates (13)	1132.37	+0.9	10.00	4.58	10.64	9.47	1141.98	1143.43	1146.46	1337.56
45	Shipping and Transport (12)	1921.22	+0.5	10.55	4.56	12.61	21.60	1912.46	1912.57	1917.41	2207.57
47	Telephone Networks (2)	939.99	+1.0	11.45	4.38	11.62	0.00	931.02	927.84	933.62	1210.63
48	Miscellaneous (26)	1135.01	+1.3	11.70	4.43	9.63	19.26	1120.38	1122.92	1121.69	1456.81
49	INDUSTRIAL GROUP (487)	947.23	+0.9	9.01	3.88	12.77	10.90	938.65	938.22	939.18	1155.99
51	Oil & Gas (13)	1011.72	+1.9	10.66	3.64	12.11	38.00	1778.18	1777.89	1779.04	2158.43
59	500 SHARE INDEX (500)	1020.34	+1.1	9.93	4.13	12.67	13.27	1009.71	1009.30	1010.28	1241.03
61	FINANCIAL GROUP (121)	687.04	+0.0	–	4.84	–	13.76	681.81	683.77	682.68	768.95
62	Banks (8)	659.97	+2.2	21.58	6.17	6.21	10.03	645.82	642.24	641.79	809.73
65	Insurance (Life) (8)	959.49	+0.2	–	5.23	–	24.97	957.87	969.41	978.52	1042.40
66	Insurance (Composite) (7)	526.77	+0.4	–	3.62	–	13.02	524.46	528.87	529.50	551.35
67	Insurance (Brokers) (7)	952.84	-0.7	10.26	6.66	12.64	26.67	959.27	970.83	963.12	1211.73
68	Merchant Banks (11)	348.73	+0.1	–	4.13	–	3.81	348.28	349.81	348.22	393.03
69	Property (51)	1227.36	-0.1	4.67	2.57	27.49	9.48	1226.36	1231.95	1228.56	1169.04
70	Other Financial (29)	381.30	+0.1	10.35	4.63	12.13	3.68	380.86	380.88	378.46	484.23
71	Investment Trusts (81)	865.69	+1.0	–	3.03	–	7.63	857.42	854.51	853.49	1038.34
81	Mining Finance (2)	512.20	+0.8	9.43	3.67	11.99	0.12	508.32	509.79	510.53	513.37
91	Overseas Traders (8)	1120.61	+1.2	9.70	4.99	12.22	27.23	1107.35	1094.13	1087.14	1071.27
99	ALL-SHARE INDEX (712)	932.77	+1.0	–	4.21	–	13.16	923.52	923.48	923.87	1111.82

	Index No	Day's Change	Day's High	Day's Low	May 31	May 27	May 26	May 25	May 24	Year ago
FT-SE 100 SHARE INDEX ♦	1805.7	+21.3	1806.9	1798.9	1784.4	1783.7	1785.3	1787.9	1782.9	2235.4

FIXED INTEREST

	PRICE INDICES	Wed Jun 1	Day's change %	Tue May 31	xd adj. today	xd adj. 1988 to date
	British Government					
1	5 years	123.38	-0.46	123.94	–	4.45
2	5-15 years	140.77	-0.42	141.36	–	4.60
3	Over 15 years	148.78	-0.32	149.27	–	5.20
4	Irredeemables	165.94	+0.02	164.14	0.23	6.31
5	All stocks	137.39	-0.41	137.96	0.00	4.78
	Index-Linked					
6	5 years	127.26	-0.22	127.55	–	0.51
7	Over 5 years	128.18	-0.42	128.69	–	1.18
8	All stocks	120.60	-0.40	121.08	–	1.12
9	Debentures & Loans	119.15	+0.02	119.12	–	5.10
10	Preference	92.61	–	92.61	–	3.22

	AVERAGE GROSS REDEMPTION YIELDS		Wed Jun 1	Tue May 31	Year ago (approx.)
	British Government				
1	Low	5 years	8.86	8.72	7.82
2	Coupons	15 years	9.26	9.21	8.69
3		25 years	9.03	9.02	8.71
4	Medium	5 years	9.32	9.16	8.75
5	Coupons	15 years	9.45	9.41	8.93
6		25 years	9.25	9.21	8.93
7	High	5 years	9.42	9.25	8.95
8	Coupons	15 years	9.42	9.29	8.95
9		25 years	9.34	9.29	8.94
10	Irredeemables		9.05	8.94	8.60
	Index-Linked				
11	Inflation rate 5%	5yrs.	2.78	2.69	2.37
12	Inflation rate 5%	Over 5 yrs.	3.86	3.83	3.61
13	Inflation rate 10%	5yrs.	1.81	1.72	1.94
14	Inflation rate 10%	Over 5 yrs.	3.69	3.66	3.53
15	Debs & Loans	5 years	10.24	10.25	9.54
16		15 years	10.69	10.56	9.924
17		25 years	10.69	10.69	10.08
18	Preference		9.45	9.45	10.17

♦Opening index 1799.6; 10 am 1802.5; 11 am 1803.7; Noon 1805.1; 1 pm 1804.7; 2 pm 1806.3; 3 pm 1806.1; 3.30 pm 1804.1; 4 pm 1804.1

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London EC4P 4BY, price 15p, by post 32p.

LONDON TRADED OPTIONS

Option		Calls Jul	Calls Oct	Calls Jan	Puts Jul	Puts Oct	Puts Jan
Allied Lyons (*439)	360	57	72	78	2	8	11
	420	32	46	57	9	15	22
	460	11	26	37	28	35	40
Brit. Airways (*146)	130	16	–	–	2	–	–
	140	8	13	17	7	10	13
	160	[illegible]	[illegible]	[illegible]	22	23	27

Option		Calls Aug	Calls Nov	Calls Feb	Puts Aug	Puts Nov	Puts Feb
LASMO (*410)	360	67	80	93	7	18	20
	390	45	60	70	18	30	33
	420	25	42	58	33	45	45
P. & O. (*580)	500	95	100	112	3	10	17
	550	52	62	74	12	20	30
	600	20	37	50	35	47	57

June 1 Total Contracts 28,391 Calls 19,816 Puts 8,575
FT-SE Index Calls 1714 Puts 1706
*Underlying security price.

LONDON RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. date	1988 High	1988 Low	Stock	Closing Price p	+ or -	Net Div.	Times Cov'd	Gross Yield	P.E. Ratio
§160	F.P.	–	73	63	*ASB Barnett Klemings 2p	68		–	–	–	–
330	120	–	80	64	British Petroleum	67	+3	N12.5	1.5	6.0	15.8
‡	F.P.	–	155	143	Carbo 5p	143		4.6	2.7	4.3	9.7
§90	F.P.	–	100	80	§Central Motor Auctions	96		u2.5	2.0	3.5	14.1

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

WORLD STOCK MARKETS

AUSTRIA | BELGIUM/LUXEMBOURG | DENMARK | FINLAND | FRANCE | GERMANY | ITALY | NETHERLANDS | NORWAY | SPAIN | SWEDEN | SWITZERLAND | SOUTH AFRICA

CANADA

TORONTO
2pm Prices June 1

Quotations in cents unless marked $.

JAPAN | AUSTRALIA | HONG KONG | SINGAPORE

OVER-THE-COUNTER

Nasdaq national market, 3pm Prices June 1

Continued from page 39

Stock	Div.	Sales 100s	High	Low	Last	Chng
UnTelav		41 170	29⅛	28½	28½	+ ⅛
UnivFr	.12	12 45	15¾	15	15⅝	+ ⅛
UnvHlt		200 1162	9⅛	5⅞	9	+ ⅛
UnvSvg	.40	78 55	22⅛	21⅞	21⅛	− ⅛
— V—V —						
V Band	1e	4 484	13	12	12½	+ ½
VLSI		40 1119	9	8⅞	9⅛	
VM Sft		20 219	13⅛	13⅛	13⅛	− ⅛
VWR	.80	11 50	19⅛	13⅛	18	− ⅛
ValidLg		281 282	5⅛	5⅞	5⅛	+ ⅛
— X—Y—Z —						
XL Dt s		17 558	u25	24⅛	25	+1½
XOMA		288	11	10½	11	+ ⅛
X-Rite	.08	16 679	u20½	24	20½	+2⅛
Xicor		16 1485	8⅛	8	9⅛	+ ⅛
Xidex		1973	5⅝	5⅞	9½	+ ⅛
Xylogic		9 2	8⅛	9½	9½	
Xyvan		75	5⅞	5⅛	5⅞	
YlowF s	.02	17 754	20⅛	20	20⅛	+ ⅛
ZionUt	1.44	7	20	25⅛	25⅛	+ ½
Zondvn		53 95	9⅛	9	9	

CHIEF LONDON PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Beazer	175	+	7
Cable & Wireless	355	+	8
Cookson	327	+	11
Glaxo	918	+	20
Harrison & Cros.	646	+	8
ICI	975	+	16
Inchcape	511	+	19
Irish Distillers	371	+	15
Ivory & Sime	133	+	9
Midland Bank	415	+	15
Portals	270	+	30
Racal Elec.	222	+	16
Reuters B	486	+	11
Ricardo Eng.	135	+	10
Ruberoid	218	+	8
Runciman (W.)	318	+	20
Shell Trans.	£10⅜	+	⅜
Smurfit (Jeff.)	432	+	9
Standard Chartered	486	+	16
Stanley (A.G.)	303	+	16
Tate & Lyle	769	+	16
Ward White	299	+	10

FALLS

Exch. 13½% 1992	£114⅜	—	⅜

TOKYO - Most Active Stocks
Wednesday, 1 June, 1988

	Stocks Traded	Closing Prices	Change on day
Kawasaki Steel	292.89m	465	+30
Nippon Kokan	219.09m	443	+21
Kobe Steel	114.27m	385	+16
Nippon Steel	110.75m	489	+15
Nippon Yusen	65.97m	700	+27
Ishikawajima-Harima Heavy Industries	56.90m	930	-5
Sumitomo Chem	56.73m	1,030	+56
Sumitomo Metal	50.70m	414	+9
Toray	48.19m	909	+70
Fuji Elec	47.90m	739	+34

INDICES

NEW YORK — DOW JONES | STANDARD AND POOR'S | NYSE | NASDAQ OTC | TRADING ACTIVITY | CANADA | NEW YORK ACTIVE STOCKS

3pm June 1

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
		– A – A – A –								
28	13	AAR s	.35	1.4	21	297	26¼	75	25¼	+ ⅛
12⅜	8⅛	ACMIn	n1.09e	8.5		354	11⅞	11⅞	11½	
12⅜	16¾	ACMSc	n1.26	11.		453	11¼	11⅛	11¼	+ ⅛
10⅛	18	ACMSp n				438	18	19	10	
27	10½	AGS			16	2750	24⅜	23¼	25½	– ⅜
1⅞	2⅝	AMCA				64	3	3	5	+ ⅛
6⅝	3¼	AM Int				919	4	3⅞	3⅞	– ⅛
29⅞	17	AM Int pf	2	11.		24	18⅛	18⅜	18⅜	– ⅛
65½	32¼	AMR			11	6282	43⅞	42	43⅞	+ 1⅛
11⅞	5⅜	ARX			19	116	7⅞	7⅝	7¾	+ ⅛
72⅞	40⅛	ASA	3	8.7		323	44⅞	44⅞	44⅞	– ⅛
22⅞	8½	AVX			12	28	17⅛	16⅝	17	+ ⅛
66⅞	40	AbtLab	1.20	2.4	17	10348	40	48⅝	49	+ 2½
28	16⅝	AbitibI g	1			201	18⅞	18½	18⅞	+ ⅛
16⅞	8½	AcmeC	.40	3.6		303	11⅛	11	11⅛	+ ⅛
10½	6⅞	AcmeE	.32b	4.7	21	1	6⅞	6⅞	6⅞	
20	14⅛	AdaEx	3.05e	19		61	15¾	15⅞	15¾	+ ⅛
18⅛	6⅞	AdamMl	.24	1.5	13	42	15½	15½	15½	
24⅞	7½	AMD				11627	15¾	15	15¾	+ ⅛
58¾	29⅛	AMD pf	3	7.4		16	40½	40½	40½	+ ⅛
20⅛	16⅛	Adob pf	1.84	10.		8	18	18	18	+ ⅛
13⅞	5⅞	Advest	.12e	1.8	7	56	6½	6⅛	6½	– ⅛
64⅛	39½	AetnLf	2.76	6.2	6	4369	46½	44⅛	44½	+ ⅝
99	90¼	AetL pfC	5.45e	5.9		1	93	93	93	+ 1⅛
63½	41	AfilPub	.40b		7	46	525	54½	52⅛	54⅛ + 1⅛
23⅛	15	Ahmans	.60	5.8	11	4227	15⅞	15½	15⅞	+ ⅛
4⅛	1⅛	Aileen				9	3⅛	3⅛	3⅛	– ⅛
63⅞	20	AirPrd	1	2.2	13	2231	40⅝	45½	40⅛	+ ⅛
34½	11⅛	AirbFrt	.60	3.3	24	44	18⅛	18⅛	18⅛	– ⅛
16½	6⅛	Airgas			16	29	13	12	13	+ ⅛
[illegible]										

Continued on Page 39

هكذا عن الأصل

NYSE COMPOSITE PRICES

Continued from previous Page

[illegible]

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. [illegible]

AMEX COMPOSITE PRICES

Closing Prices June 1

[illegible]

Copyright by The Associated Press

OVER-THE-COUNTER

Nasdaq national market, 3pm Prices June 1

[illegible]

Continued on Page 38

AMERICA

Dow and bonds rise further as market's mood improves

Wall Street

EQUITIES and bonds yesterday built on their strong gains on Tuesday in what many analysts regard as a mystifying improvement in mood in both markets, *writes Janet Bush in New York.*

The Dow Jones Industrial Average rose substantially and closed 32.89 points higher at 2,064.01. On the US Treasury bond market, prices were quoted as much as 1 1/32 point higher in late trading. The Treasury's benchmark 9.125 per cent issue due to mature in 2018 stood 1¼ points up to yield 9.094 per cent.

The sudden buying on Tuesday came as a surprise to most analysts who had for weeks contemplated a depressing drift downwards in very low volume in both bond and equity markets, obsessed with the prospect of higher US interest rates, worried about higher inflation and nervous about the November Presidential elections.

The gradual nature of the decline over the past few weeks in the equity market had not seemed to offer much hope for a substantial rally.

As the markets have so often confounded analysts this year by falling for no apparent reason, so this week they have surprised market participants by rising on no clear positive news. On several occasions, the financial markets have appeared to react irrationally or to over-react.

The difference with this week's market movements are that they have been up rather than down.

There appears to be some basis for the improvement in mood. One positive factor was the apparent resilience of the bond market in the face of very substantial increases in commodity prices on Tuesday, particularly in the precious metals sector, which appeared to signal to some market participants that market interest rates may have peaked.

However, this optimism on interest rates could be premature. The market will have to wait and see what Friday's release of the latest unemployment figures has to offer and the Fed's reaction to it, before assuming the Fed's tightening move has been completed.

Probably the most important reason behind this week's price gains has been the sharpness of falls in recent weeks. There has always been some scepticism about whether the substantial rise in bond yields fairly reflected upward pressure on inflation. Indeed, there are many in the market who believe that inflation fears have been overdone and may even have been exaggerated by US officials in order to sneak through a tightening of US policy which would support the dollar.

Another positive influence on markets this week has been a vague sense that the dollar may now have bottomed out.

Among economic statistics released yesterday were US leading indicators which on balance were positive for the bond market. Leading indicators rose 0.2 per cent in April, close to market expectations, but the rise in March indicators was revised down to 0.2 per cent from 0.8 per cent.

Factory goods orders and construction spending were neutral to negative for the bond market. Orders rose 1.2 per cent in April, above the consensus market forecast for an increase of 0.6 per cent while construction spending was slightly above forecasts of a small decline with a rise of 0.1 per cent in April.

On the equity market, Koppers was up $1⅛ to $60⅛ at midsession amid expectations that its board will approve the sweetened takeover offer worth $61 a share by Britain's Beazer.

Combustion Engineering gained $1¼ to $33¾ at midsession after news that the company had reached an agreement to build and manage a multi-billion dollar petrochemical complex in the Soviet Union.

On the American Stock Exchange, Charter Medical's Class A shares rose $⅞ to $32¾ after the company said a management group had got the financing needed for its proposed takeover.

Texaco added $¼ to $50½. Mr Carl Icahn, who has offered $60 a share for the company, is due to give a press conference in New York late today.

Canada

RISING gold issues pushed Toronto share prices to a strong advance in active trading as the market moved higher in tandem with Wall Street.

The composite index, which rose about 14 points in earlier trading, gained 30.21 to 3279.43. Advances outnumbered declines by 506 to 312 on heavy volume of 31.6m shares.

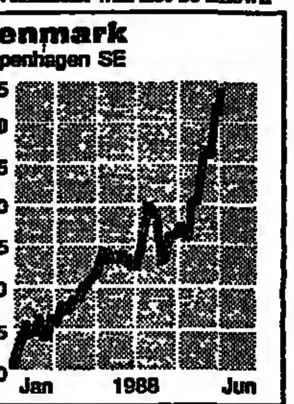
Equities in Denmark approach record high

By Hilary Barnes

THE COPENHAGEN all-share price index is now above its pre-Black Monday level and seems set to pass the all-time high of 219.7, although that might take a few days.

The market's strength follows good economic news and the satisfactory outcome of government negotiations after the indecisive elections on May 10 to the Danish Parliament, the Folketing.

The final composition of the Government will not be known



until the weekend, but Prime Minister Poul Schlueter, the Conservative Party leader who has led a coalition since 1982, will continue at its head with a programme committed to an *unchanged exchange rate* against the ECU and a tough line on public expenditure.

The equity market, however, is a tail wagged by a large and liquid bond market, which has attracted strong foreign interest over the past few weeks.

The net supply of bonds is limited, because the Government budget is almost in balance, housing starts are low and the banks, which sold out *heavily from their portfolios* last year, are now net buyers again. Demand could be two or three times as high as supply, at about DKr44bn ($6.7bn) this year, said Mr Kim Branstrup of Brancor Futures, which specialises in marketing Danish bonds to foreign institutions. Yields in the bond market of 10.8 per cent on average are attractively high.

The equity market tends to *follow the bond market's lead,* but the prospect of better profits in export companies is also encouraging it at present. This is partly owing to tax measures this year favouring exporting companies.

The share price index, which gained 1.06 to 215.06 yesterday, has risen by 17.4 per cent this year and 8.9 per cent since April 28.

Among individual shares, Novo B remains unchanged over the month in spite of an encouraging first quarter report, while East Asiatic Holding has risen DKr30 to yesterday's DKr186. Shipping stock Svendborg is DKr3,500 higher at DKr42,000, Bang & Olufsen DKr43 at DKr278 and Carlsberg B has fallen DKr35 to DKr960.

EUROPE

Broad rally follows upsurge in US

AFTERNOON profit-taking took equities off their highs but European bourses still closed higher in a celebration of the previous night's strong performance in New York, *writes Our Markets Staff.*

PARIS opened strongly on the back of Wall Street's overnight rise and continued to rise as rumours flowed in surrounding luxury goods group LVMH, although some selling late in the day took prices off their highs.

The Indicateur de Tendance closed up 1.8 at 124.4, a rise of 1.4 per cent after an earlier gain of 2.3 per cent. Volumes were estimated to be at least as strong as Tuesday's FFr2bn worth of shares, with increased demand from London.

Speculation that LVMH was either about to face a bid – with Britain's *Grand Met and Guinness* both suggested as possible suitors – or that it might itself make an acquisition, sent the group's shares up FFr115, or 4.9 per cent, to FFr2,475, having reached a day's high of FFr2,523. About 169,400 LVMH shares changed hands, compared with about 100,000 on Tuesday.

Pernod, which announced the purchase of private *US beverages* group Yoo-Hoo, gained FFr12 to FFr929 and Agence Havas, announcing first quarter sales up 22 per cent, rose FFr9 to FFr614.

MILAN took its lead from New York in the absence of any domestic news and share prices rose sharply, with the MIB index adding 25, or 2.6 per cent, at 984.

But volumes remained low, at about L85bn worth of shares, exaggerating share price movements.

Holding companies Cir and Cofide, owned by financier Mr Carlo De Benedetti, rose 5 per cent and 6.3 per cent respectively, or L252 to L5,270 and L315 to L5,320. State-controlled food group Sme jumped L148, or 6 per cent, to L1,849.

FRANKFURT moved upwards for the fourth session running, following the overnight gains on Wall Street and in Tokyo, but late selling, triggered by falls in the dollar and sterling, knocked shares off their day's highs.

Stronger bonds, hopes of stable German interest rates and a good national economic growth prediction helped boost prices early in the day. Deutsche Bundesbank announced it would maintain interest rates at their present level, while the Government revealed a first quarter gross national product growth of 1.5 per cent over the fourth quarter last year, and of 4.2 per cent over last year.

The Commerzbank 60-share index gained 19.9 to 1,401, while the FAZ rose 5.72 to 459.91.

Investors focused on international stocks such as Daimler, up DM12 at DM620, and Deutsche Bank, up DM14.20 at DM422.

Bonds rose about 30 pfg in thin trading, boosted by the previous day's US bond rise.

AMSTERDAM was also boosted by Wall Street's upward *trend, and by gains* elsewhere in Europe, although profit-taking and the hesitant start in New York pulled share prices off their highs. The ANP-CBS general index put on 3.1 to 246.9.

Insurer Nationale-Nederlanden, which reported 9.2 per cent higher first quarter profits, added 60 cents to Fl 58.60.

ZURICH saw heavy turnover as share prices rose across the board following the overnight surge on Wall Street and the steadiness of the dollar against the Swiss franc.

Some profit-taking set in to tip stocks off their highs.

Chocolate maker Jacobs Suchard, bidding for UK confectioner Rowntree, moved against the trend, dropping SFr75 to SFr7,600. Rival bidder Nestlé gained SFr120 to SFr8,345.

BRUSSELS was lifted by the overnight rise on Wall Street and the strong domestic economic outlook and share prices closed generally firmer.

Other factors benefiting shares included the strong Belgian franc and recent good corporate results, but volume yesterday was modest.

Petrofina was one of the few stocks to be heavily traded, rising BFr150 to BFr11,450 on volume of about 11,000 shares.

GBL moved up BFr75 to BFr3,075 following news of its plans to expand in North America and the Far East.

STOCKHOLM closed higher in busy trade, but prices slipped from their highs following the onset of profit-taking and a fall in the Swedish krona.

The advance was a result of Wall Street's rise the previous day and Tokyo's subsequent rally.

The restricted B shares of industrial group Trelleborg rose SKr9 to SKr240 in high turnover in anticipation of its annual meeting. The company later disclosed a doubling of four-month profits and revised its annual profits forecast to SKr1.5bn from SKr1.2bn.

London

BLUE CHIP stocks in London benefited from Wall Street's strong performance and the fall in sterling.

International shares were the *focus of attention,* with ICI, Glaxo and Shell helping to push the FT-SE index above the 1,800 barrier. It closed at 1,805.7, up 21.3 points.

Tom Burns looks at the factors fuelling Spain's rise to another 1988 high

Bank mergers add spice to Madrid bolsa

IT WAS taken to be a good sign. When the Madrid market's share listing billboard started having electronic hiccups at the end of last month, the wags on the floor said it was because it was not used to prices going up, and nobody minded very much.

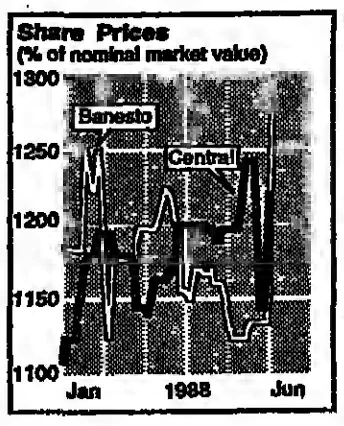
The activity was the start of a move out of the doldrums for Madrid's bolsa – or stock market – which on Tuesday reached a high for the year, with the general index at 281.48, topping the previous high set on April 14. The trend continued yesterday as the new month began and the general index hit 286.25, with the billboard, now used to hikes, functioning smoothly.

Bank merger mania is behind the injection of what Spaniards call "alegria" – and what Anglo-Saxons call bullishness – into the bolsa. There were few ripples last week, for example, when Telefonica announced record profits, but the rollers have at last returned as the effect of Spain's banking merger process begins finally to be digested.

Trading resumed in Banesto and Central at the start of this week following the announcement of their plans to merge and their share prices have soared since, with Banesto rising in sustained leaps of 40 to 50 percentage points to reach 1,225 per cent of par by Tuesday and 1,275 yesterday – compared with 1,135 before suspension.

Central, with jumps in the 20 to 30 point range, rose from Tuesday's 1,188 to 1,220 yesterday – against 1,145 before suspension.

It was the familiar Madrid scenario of too much money chasing too little paper. Banesto was a case in point for its sales represented on average about 20 per cent of demand. One broker shrugged, smiled and said he was telling clients that Banesto could



still rise a further 10 per cent as the bank underwent what is in reality a technical hike following its suspension.

The two newly merged giants are not the only ones prodding the bolsa out of its lethargy. The Vizcaya and Bilbao banks, the early risers in the merger mania, held formal shareholder meetings yesterday to approve their marriage on the heels of a capital increase. Talk of a capital boost by Banco de Santander is also whetting appetites.

Further impetus comes from the partial reprivatisation of utility Endesa and forthcoming flotation of state oil group Repsol. Endesa rose 11 to 186 on its first day of trading yesterday, with its placement of Pta 53bn greater than the total volume of new shares placed on the bolsa last year.

ASIA

Volume at second heaviest ever as inflation fears fade

Tokyo

THE SHARP overnight rise on Wall Street sparked strong demand in Tokyo yesterday, helping to send share prices higher for the third consecutive trading day, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei average rose 287.21 to 27,703.91 after moving between a high of 27,795.95 and a low of 27,427.79. Trading was very active at 2.6bn shares, the second heaviest ever, compared with Tuesday's 1.7bn shares. Advances far surpassed declines by 602 to 328.

Wall Street's strong performance, which came as the possibility of a hike in the US official discount rate diminished, wiped out lingering concern over a possible rekindling of inflation in the US.

Interest shifted from stocks with specific incentives to large-capital and high-technology issues, but market activity was limited to trading by brokerage house dealers, individual investors and business corporations, while institutional investors with huge investment funds made no significant moves.

Giant-capitals performed strongly. Kawasaki Steel topped the active list with 293m shares changing hands and jumped Y30 to Y465. Nippon Kokan, the second busiest issue with 219m shares traded, added Y21 to Y443.

Large-capital chemicals and some pharmaceutical issues were sought. Sumitomo Chemical added Y56 to Y1,030 and Mitsui Toatsu Chemicals Y39 to Y840.

High-technology stocks also fared well. Fuji Electric advanced Y34 to Y739 on rumours that it plans to make effective use of its factory site and Matsushita Electric Industrial gained Y60 to Y2,570.

Some medium- and small-sized issues with specific incentives regained popularity in late trading. Mitsui Mining and Smelting rose Y16 to Y615, Sumitomo Heavy Industries Y15 to Y770 and Japan Steel Works Y7 to Y595.

Bond prices firmed on active buying by the dealer section of a brokerage house, helped also by the firmness of bond prices in New York.

The yield on the benchmark government bond, maturing in December 1997, fell to 4.630 per cent briefly from 4.665 per cent at Tuesday's close before finishing at 4.635 per cent.

Dealers and institutional investors, still concerned over US interest rate trends, were hanging back pending the announcement of the May US unemployment rate due on Friday.

Spurred by Wall Street's overnight rise, Osaka Securities Exchange prices rose sharply with buying interest spreading to a wide range of issues. The OSE average ended 212.32 higher at Y27,376.76, on an estimated volume of 246m shares, up 105m.

Kishu Paper soared Y76 to Y926 and Sakai Chemical Industry closed Y70 higher at Y1,770.

Australia

PROFIT-TAKING in the afternoon tipped Australian shares off earlier highs, but the market still closed sharply up following the release of figures confirming a rapid expansion in Australia's economy.

At the close, the All Ordinaries index was up 19.2 at 1,586.1 after reaching 1,601.4 earlier – its highest level since October 23 when it hit 1,628.9.

In industrials, the banking sector drew most interest. Westpac gained 12 cents to A$7.66, while NAB lost 6 cents to A$6.12 and ANZ fell 4 cents to A$4.86.

Singapore

INTERMITTENT profit-taking was absorbed by the Singapore market, as share prices rose for the sixth consecutive session in active trading and reached a post-crash high. Investors were encouraged by Wall Street's overnight surge and significant gains in other leading markets.

Malaysian issues, particularly plantation stocks, benefited from firmer commodity prices.

The Straits Times industrial index moved up 7.15 points to 1,006.44.

Hong Kong

WALL STREET'S overnight gain and Tokyo's strong performance pushed Hong Kong stocks higher, but they closed off their morning peak as worries about US and local *interest rates set* in.

The Hang Seng index gained 19.56 to 2,516.24, after rising 44 earlier. Turnover rose sharply to HK$882m from HK$454m.

Seoul

ANOTHER record high was reached in Seoul as the composite index gained 6.16 to 723.5, on turnover of 281bn won compared with 249.6bn won on Tuesday, when the index reached the then record 717.34.

SOUTH AFRICA

THIN trading left Johannesburg gold stocks slightly higher after Tuesday's holiday.

Higher bullion and platinum prices boosted related shares, with gold stock Vaal Reefs up R6 at R260 and Rustenburg Platinum up R2.70 at R37.70.

Other minings followed the trend. De Beers, the diamond stock, gained 60 cents to R33.85 and Gencor rose R1.50 to R49.50.

FT – ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	WEDNESDAY JUNE 1 1988					TUESDAY MAY 31 1988			DOLLAR INDEX		
Figures in parentheses show number of stocks per grouping	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1988 High	1988 Low	Year ago (approx)
Australia (88)	145.74	+1.8	118.46	119.67	3.72	143.10	115.40	118.02	145.74	91.16	134.22
Austria (16)	87.91	-0.1	71.45	78.77	2.60	88.00	70.96	78.84	98.18	84.35	87.85
Belgium (63)	120.79	+0.7	98.18	107.98	4.66	119.93	96.71	107.36	139.89	99.14	114.45
Canada (125)	120.16	+1.1	97.67	107.20	3.15	118.87	95.85	106.21	125.49	107.06	125.68
Denmark (39)	129.52	+0.5	105.28	115.87	2.52	128.91	103.95	115.32	129.52	111.42	117.77
Finland (25)	134.12	+0.1	109.01	114.89	1.83	133.94	108.01	114.40	134.12	106.78	–
France (128)	95.67	+1.6	77.76	87.41	3.70	94.19	75.96	85.99	95.67	72.77	109.66
West Germany (99)	76.62	+1.5	62.28	68.71	2.70	75.47	60.86	67.84	80.79	67.78	91.42
Hong Kong (46)	100.26	+0.9	81.49	100.58	4.55	99.33	80.10	99.64	105.83	84.90	118.11
Ireland (18)	133.92	-0.9	108.85	121.70	3.90	135.14	108.98	122.85	135.14	104.60	127.20
Italy (102)	69.76	+2.8	56.70	66.85	3.00	67.86	54.73	65.03	81.74	62.99	99.15
Japan (456)	169.62	+1.1	137.87	134.23	0.53	167.82	135.33	132.71	177.27	133.61	154.08
Malaysia (36)	138.97	+1.0	112.96	138.38	2.62	137.64	110.99	137.16	138.97	107.83	172.25
Mexico (14)	156.23	+1.2	126.99	390.99	1.28	154.40	124.51	385.74	176.90	90.07	199.36
Netherland (38)	104.39	+1.7	84.85	92.15	5.02	102.60	82.74	90.68	110.66	95.23	115.55
New Zealand (21)	81.78	+2.1	66.48	62.16	5.83	80.14	64.62	61.44	81.78	64.42	93.28
Norway (25)	120.10	+1.6	97.62	102.21	2.95	118.17	95.29	100.41	132.23	98.55	138.06
Singapore (26)	114.43	+0.8	93.01	106.52	2.36	113.48	91.51	105.64	114.93	97.99	141.99
South Africa (60)	130.69	+0.6	106.23	84.64	5.06	129.96	104.80	83.68	139.07	118.16	157.97
Spain (42)	155.72	+2.0	126.57	134.72	3.21	152.61	123.06	132.03	155.72	130.73	115.19
Sweden (36)	125.50	+0.6	102.01	111.52	2.55	124.71	100.57	110.45	125.50	96.92	112.12
Switzerland (55)	78.30	+1.4	63.65	69.93	2.44	77.25	62.29	69.13	86.75	75.60	92.64
United Kingdom (327)	136.82	+0.3	111.21	111.21	4.36	136.44	110.03	110.03	141.18	123.09	147.97
USA (579)	108.61	+1.8	88.28	108.61	3.60	106.70	86.04	106.70	110.51	99.19	120.13
Europe (1013)	108.05	+1.0	87.83	92.93	3.81	107.02	86.30	91.73	110.71	97.01	119.40
Pacific Basin (673)	165.97	+1.1	134.90	132.24	0.73	164.17	132.38	130.73	172.26	130.81	151.93
Euro-Pacific (1686)	142.81	+1.1	116.08	116.59	1.67	141.32	113.96	115.21	147.53	120.36	138.96
North America (704)	109.22	+1.7	88.78	108.54	3.57	107.34	86.56	106.69	111.28	99.78	120.42
Europe Ex. UK (686)	90.21	+1.6	73.33	81.50	3.32	88.79	71.60	80.27	92.81	80.27	101.67
Pacific Ex. Japan (217)	122.05	+1.5	99.21	107.23	3.98	120.22	96.94	105.95	122.05	87.51	125.82
World Ex. US (1885)	141.92	+1.1	115.36	116.08	1.75	140.44	113.25	114.71	146.49	120.26	138.73
World Ex. UK (2137)	128.29	+1.4	104.28	113.70	2.13	126.53	102.03	112.12	130.28	111.77	129.84
World Ex. So. Af. (2404)	129.02	+1.3	104.87	113.66	2.32	127.38	102.72	112.11	130.96	113.26	131.28
World Ex. Japan (2008)	109.57	+1.4	89.07	102.90	3.69	108.01	87.10	101.32	110.99	100.00	120.70
The World Index (2464)	129.04	+1.3	104.89	113.46	2.34	127.40	102.73	111.91	130.92	113.37	131.45

Base values: Dec 31, 1986 = 100; Finland: Dec 31, 1987 = 115 037 (US $ Index), 90.791 (Pound Sterling) and 94.94 (Local).

With effect from 1/6/88 the following lines of French stock have been added to The World Index: Bouygues (Certs.),Elf-Aquitaine (Certs.),Havas (Certs.),L'Oreal (Certs.),Paribas (Certs.),Promodes (Certs.) and St.Gobain (Certs.).